| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 1 | Not Provided | | Posted | 4/24/2003 | 4/29/2003 |

**Assigned to**

Rich Galloway

**Web ID**

**Vendor Question**

Q. Is an agenda for the CSB Pre-Proposal Conference available?

**FSA Response**

A. Yes, here is the draft agenda.  We expect the conference will end no later than 3:45, since GSA requires that all attendees leave the auditorium no later than 4PM.

**Comments**

4/28 - Hyperlink attached to "the draft agenda in response."

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 2 | Not Provided | | Posted | 4/24/2003 | 4/29/2003 |

**Assigned to**

**Web ID**

Rich Galloway

**Vendor Question**

Q. What will be the format for the CSB Pre-Proposal Conference?

**FSA Response**

A. The Government will present information about the contracting process and background information about FSA programs.  The background information will include high-level descriptions of the current state of FSA programs and systems and the relationship to CSB.  Time will not permit highly technical or detailed presentations.  The CSB Pre-Proposal Conference is also an opportunity for offerors to ask questions in a more interactive environment.  Ample time has been reserved in the afternoon for offeror questions.  Offeror questions may be as technical or detailed as

**Comments**

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 3 | Not Provided | | Posted | 4/24/2003 | 4/29/2003 |

**Assigned to**

Rich Galloway

**Web ID**

**Vendor Question**

Q. May we submit questions in advance of the CSB Pre-Proposal Conference?

**FSA Response**

A. Yes, you may submit questions to csb.competition@ed.gov.  If you wish your question to be addressed at the CSB Pre-Proposal Conference (rather than in a written Q&A such as this), please so indicate.

**Comments**

4/28 - E-Mail address is hyperlink

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**
4 Not Provided Posted 4/24/2003 4/29/2003

**Assigned to** **Web ID**

Rich Galloway

**Vendor Question**

Q. What should I do if I made a mistake in completing the web registration for the CSB Pre-Proposal Conference?

**FSA Response**

A. Submit a second correct registration through http://www.1800iwillpay.com/csb/register.html and then send an e-mail to csb.competition@ed.gov asking us to delete the incorrect entry.  Be sure to include enough information so we can identify the incorrect entry.

**Comments**

4/28 - Web site and e-mail address are hyperlinks

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**

5 Not Provided Posted 4/24/2003 4/29/2003

**Assigned to** **Web ID**

Rich Galloway

**Vendor Question**

Q. Will copies of CSB Pre-Proposal Conference materials or a transcript be available?

**FSA Response**

A. Yes, we plan to publish the CSB Pre-Proposal Conference materials at FedBizOpps.  We are not yet certain whether we will have a transcripts.  If one is available, it will take a few days to produce and proofread before we can post it at FedBizOpps.

**Comments**

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | | **Date Received** | **Due Date** |
|---|---|---|---|---|---|---|
| 6 | Not Provided | | Posted | | 4/25/2003 | 4/30/2003 |

**Assigned to**

**Web ID**

Rich Galloway

**Vendor Question**

Q. If I attend the CSB Pre-Proposal Conference, will I be permitted to make a presentation?

**FSA Response**

A. No, the purpose of the conference is for the Government to share information with offerors and for offerors to ask questions and to gain a better understanding of the CSB project and FSA programs and systems.

**Comments**

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | | **Date Received** | **Due Date** |
|---|---|---|---|---|---|---|
| 7 | Paul Mayer - SLMA | SLMA | Posted | | 4/14/2003 | 5/1/2003 |

**Assigned to**

**Web ID**

Dan Hayward

**Vendor Question**

Q. As part of FSA's Modernization Project, considerable technical and operational assessments were conducted regarding systems, data flows and interfaces.  In order obtain a deeper understanding of FSA's core business functions, underlying requirements and existing data quality, a copy of the deliverables and other work products generated as part of the modernization efforts is essential.  Will FSA provide copies of all such deliverables, presentations, reports and work products prior to or as part of the RFP?

**FSA Response**

A.  As a part of the Vendor Library created for the CSB acquisition, Modernization deliverables and work products pertinent to the scope of CSB, which could be made available for public consumption, were posted to the CSB website.  Examples of such deliverables and work products can be found within the Enterprise Technology Information/Standards portion of the library.  In addition, deliverables from the various "black belts" performed for Consolidation, Servicing, and Collections can be found with their appropriate system.  If there is a specific need for additional documentation not found within the library, please send a request to FSA for their consideration.

**Comments**

5/14 - Updated response provided from Heather

5/20 - Not ready for posting until black belt information posted to the web.  Dan to ensure it gets there.

5/29 - Whitney Hoffman marked as "Answer Prepared, not yet Posted" since black belt informaiton has been posted to the CSB Resource Library

6/3 - Answer Posted to CSB Website

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 8 | Paul Mayer - SLMA | SLMA | Posted | 4/14/2003 | 5/1/2003 |

**Assigned to**

Gary Hopkins

**Web ID**

## Vendor Question

Q. Describe the various imaging systems used by ED/FSA and its contractors that will need to be accessed or migrated to a common imaging platform. Please include the approximate number of records on each system and the type of information contained on each system.

## FSA Response

A. DMCS - DMCS has an imaging system that is a Client/server system using Group IV TIFF format for the images. This system runs on a Sun Unix platform with optical disk storage and 18 remote workstations. The storage is comprised of 488 - 12 inch, 10 GB optical platters across 4 jukeboxes with a total of 4.8 TB of storage. This is ED owned equipment. The system currently contains approximately 57 million images. The types of documents imaged include P-Notes and critical documents as defined by the business owner (DCS).

DLCS - The complete imaging solution consists of image capture, data entry, store and search and retrieval. The image capture and initial data entry is done using Ascent Capture software from Kofax. The search and retrieval software is RetrievalWare by Convera (formerly known as Excalibur Technologies). Data is stored in a database, INFORMIX and the images are stored as PDF (Portable Document Format) in a SAN (storage area network) from EMC. The Ascent Capture system does initial scanning, OCR, data entry, data verification and data release. The data integrity and validation checks are very customized and intense for each document type and field type. The data release process updates the data to a database the image of the document is stored as a PDF file. This process is done for each and every document processed in the system.

The RetrievalWare system gathers all the data that has been processed and provides an interface to the users to query and retrieve the image over the network (internet/intranet - secured). The system uses the database data update the search database and provide the user with up-to-date information. The system monitors and new data and or updated information. The user is provided with several key fields, as search criteria, to search for the document. The list of documents that matched the requestors conditions are displayed. The user can click on any documents from the list and view the image.

The imaging system in all is very scalable and there are no limitations on the capacity (volume). The storage or disk space on the SAN can be increased on demand, the imaging process can handle volume as long as there is supported infrastructure, and the search and retrieval can handle requests and process them as long as there is proper resources available and allocated. The images once written to the disk are made available for read only.

The imaging system captures the image of the document and all required and important information. There are about 20 different document types that are processed. This includes document types from LO and also from LC. The data being captured differs from document to document. Some of the information being captured could be loan id, the document type, voucher number, social, etc. All the fields that are captured have a validation procedure, before the data is accepted. Along with this information, the location of the image is also recorded in the database. Some of the documents that have a detailed data entry capture, will be done once the required fields are recorded and the image captured. Fields that were captured or recorded will be used for search and retrieval of the document.

Here are some of the document names that are being processed:
- Letters for Applicant Services
- Combined Application / Promissory Note

- Verification Certificate
- Consolidation Correspondence
- Consolidation Endorser Addendum
- Income Contingent Repayment Plan (ICR Waiver)
- Consolidation Promissory Note
- Plus Endorser Note
- Plus Application
- Stafford Notes
- Power of Attorney
- Repayment Plan Selection
- SF215 (Deposit Ticket)
- SF5515 (Deposit Voucher)
- School Relations Correspondence
- Transmittal Promissory Shipping Note
- Web Application Promissory Note

There are about 20 million records in the database. This includes LO and LC.  There should be corresponding number of images in the storage.
There is also a possibility of having more images, which could have occurred due to multiple scanning, for verification, which is very small.

DLSS - The imaging system for DLSS is a Panagon Imagining System.  This system is a Storage, Retrieval and Workflow solution. The system
consists of image capture, data entry, storage, retrieval and distribution of images for work.  The approximate number of records on the system is 31

## Comments
4/28 - Also assigned to Brian, Denise, and Cathy Power.
4/28 - Awaiting answer from Cathy Power.
5/14 - Cathy Power to provide Information for DLSS.
5/16 - Whitney Hoffman incorporated information received from Cathy Power
5/19 - Whitney Hoffman incorporated final version of answer included in email from Rich Galloway
5/19 - Posted to CSB Website

| Question ID | Vendor Contact | Vendor | Status | Date Received | Due Date |
|---|---|---|---|---|---|
| 9 | Paul Mayer - SLMA | SLMA | Posted | 4/14/2003 | 5/1/2003 |

**Assigned to**

Dick Wheeler

**Web ID**

**Vendor Question**

Q. Please describe the disbursement process for the payoffs for the underlying loans to lenders, including who actually does the disbursement (ED/FSA, Treasury, etc), how frequently (daily, weekly, monthly), and the interfaces required (Treasury, ED/FSA, FMS, DataMart, etc.).

**FSA Response**

A. The Department of Education's Federal Student Aid (FSA) formulates policies and procedures, and directs the activities of the LC process. This includes coordinating information sharing between the various entities that impact or are impacted by LC. These entities include:

LC system, borrowers, and lenders/loan holders, the Department's Accounting and Financial Management Service (AFMS), the Department's Grant Administration and Payment System (GAPS) and Financial Management System (FMS), Direct Loan Servicing System (DLSS), Debt Management and Collection System (DMCS), Department of Health and Human Services (HHS), Wachovia Bank, the provider of a commercial checking account, EDS check printing center Troy, Michigan. The LC system determines which consolidation applications are ready to fund. The underlying loans in the application can be paid using three different payment instruments depending upon which loan holder is being paid. Loan holders enders vary in type and role. They range from schools, private servicers, and to guaranty agencies (GA) to the DCS, which is responsible for the collection of all defaulted student loans assigned to the Department, to the DLSS, which is responsible for servicing loans and collecting Direct Loan repayments, and to the Department of Health and Human Services (HHS). The LC system produces three payment instruments to pay loan holders: check, SF1081-interagency transfer document, and electronic funds transfer (EFT). The DLSS is paid through a system transaction. DCS and HHS are paid by SF1081 only. The SF1081 detail reports are generated by the LC system and LC personnel mail the reports to DCS and HHS.

DLSS is paid by a system transaction.

Guaranty Agencies are paid by a combination of SF1081 for the principal and interest. Collection costs are paid by check or EFT:
1. For Guaranty Agencies preferring that collection costs be paid by check, the SF1081 detail reports are generated by the LC system and LC personnel mail the SF1081 detail reports to the Guaranty Agency, and the check is printed by the EDS check printing center in Troy, Michigan and mailed to the Guaranty Agency.
2. For Guaranty Agencies preferring that collection costs are paid by EFT, underlying loan data is posted on a manifest to the Loan Holder Services website and the EFT payment information is sent from EDS to FMS to GAPS who then informs Treasury to send the EFT.

Schools and private servicers are paid by either check or EFT depending upon their preference:
1. For schools and private servicers preferring payment by check, the check is printed by the EDS check printing center in Troy, Michigan and mailed to the schools and private servicers. The funds to cover the checks are sent by EFT into the Wachovia commercial checking account. This is accomplished by the LC system sending the payment request to FMS, who passes it to GAPS who then informs Treasury to send the EFT to the Wachovia commercial checking account.
2. For schools and private servicers preferring payment by EFT, underlying loan data is posted on a manifest to the Loan Holder Services website and the EFT payment information is sent from EDS to FMS to GAPS who then informs Treasury to send the EFT payment to the schools and private servicers bank account. Disbursements occur daily Monday through Friday.

The LC system has technical interfaces with FMS, DLSS, the EDS print center in Troy, MI, Wachovia Bank, and the Loan Holder Services website.

There is non-technical activity between LC and the Treasury Department's Cashlink system.

## Comments

5/19 - Whitney Hoffman incorporated final version of answer included in email from Rich Galloway
5/19 - Posted to CSB Website

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 10 | Paul Mayer - SLMA | SLMA | Posted | 4/17/2003 | 5/1/2003 |

**Assigned to**

Gary Hopkins

**Web ID**

## Vendor Question

Q. The Statement of Objectives (Page 19), indicates the CSB Call Center(s) must also operated as the outbound call center for debt recovery of delinquent and defaulted loans not assigned to PCAs.  Please clarify specific tasks that will be required and loan program types involved in the "post-default" collection portfolio.  Further, please clarify which vendor and systems currently service the post-default portfolio and if ED/FSA is seeking the potential vendor to also provide a "post" default collection system for Department of Education employees to use.

## FSA Response

A. For further detail on the tasks required for outbound calls, please refer to the Statement of Work for the Public Inquiry Contractor (PIC) and the DLSS Business Rules.  Both documents are currently on the CSB website.  "Outbound" calling for defaulted borrowers refers only to customer service calls that are in response to defaulted borrower inquiries (phone or correspondence).  Details on the different loan program types in the Collections portfolio is (will be) contained in the response to the question on Appendix H and the breakdown of the Collections Portfolio.  Please refer back to Section 2.2.6 Recovery and Resolution of the Statement of Objectives, which discusses the "complete and thorough outsourcing of collections on defaulted debts to private collection agencies (PCAs)."  Through CSB, FSA is not seeking an alternative to the current use of PCAs for all outbound collections activity.  The list of existing PCAs is as follows:

- Aman
- Diversified
- FAMS
- NCO
- Nationwide
- Pioneer Credit Recovery
- Van Ru
- NAM
- Maximus
- Recovery Bureau
- Account Control Technology
- Progressive
- Allied Interstate
- Equifax
- GC Services
- OSI
- St. Hill
- Credit Bureau Accounts

## Comments

5/14 - Heather provided updated response, but one issue still open
5/14 - NEED TO ASK GARY IF WE CAN LIST EXISTING PCAS OR IF THEY WILL BE INCLUDED IN THE LIBRARY DOCUMENTATION. Heather to contact Gary.

5/16 - Whitney added list of PCAs obtained from an email sent by Gary
5/19 - Whitney Hoffman incorporated final version of answer included in email from Rich Galloway
5/19 - Posted to CSB Website

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 11 | Paul Mayer - SLMA | SLMA | Posted | 4/17/2003 | 5/1/2003 |

**Assigned to**

Gary Hopkins

**Web ID**

**Vendor Question**

Q. Appendix H of the Statement of Objectives provides limited information on the Collections Portfolio.  In order to better understand the portfolio, we would like a breakout of the $14.5 Billion portfolio showing principal, interest and borrower counts by: Loan Program (e.g., FFEL, Pell, Perkins, Federal Direct Loans . . . etc.), Status (Performing, Non-performing, Inactive, Closed, Delinquency/Aging), and Location (System of Record, PCA,

**FSA Response**

A. Totals as of FY-End 2002:

|  | Principal | Interest | Principal & Interest |
|---|---|---|---|
| FFELP | $5,627,140,709 | $3,263,548,484 | $8,890,689,193 |
| FDSLP | $3,890,213,984 | $ 473,994,186 | $4,364,208,170 |
| FISL | $ 161,183,654 | $ 320,819,843 | $ 282,147,084 |
| Perkins | $ 320,819,843 | $ 103,950,239 | $ 424,770,083 |
| Grants | $ 13,687,892 | $ 88,761 | $ 13,776,653 |

The collections portfolio consists largely of non-performing assets.  Less than 10% of the debts convert to a performing (repaying) status.  We have approximately 2.3 million "inactive" accounts in our portfolio (balances less than $25 and no further collection activity).

More than 90% of our defaulted accounts is managed by one of the private collection agencies.  Account information on all defaulted borrowers is maintained both internally and with each private collection agency to which an account has been assigned.  Although data records are passed to the agencies, the information is maintained in our internal system with weekly updates and monthly inventory reconciliations occurring with each private collection agency.

**Comments**

4/28 - Loan Program answered, but not status and location
5/14 - Dave sent e-mail to Gary requesting further information
5/15 - Whitney updated per e-mail response from Gary
5/19 - Whitney Hoffman incorporated final version of answer included in email from Rich Galloway
5/19 - Posted on CSB Website

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 12 | Paul Mayer - SLMA | SLMA | Posted | 4/14/2003 | 5/1/2003 |

**Assigned to**

**Web ID**

Heather Stevens

**Vendor Question**

Q. It would be helpful for FSA to provide/confirm current business rules and other servicing requirements for the different loan programs in scope
(i.e., FFEL, Federal Pell Grant, Federal Perkins Loans, William D. Ford Federal Direct Loans).  At a minimum, please describe:
• Repayment options/terms
• Interest rate structures
• Payment application protocol (CC, I, P)
• Due diligence requirements
• Collection cost assessment

**FSA Response**

A. The current business rules for Direct Loan Servicing have been posted to the vendor library.  For specific information regarding repayment terms,
due diligence requirements, etc., guidance should be found in the appropriate regulatory and statutory authorities for each program.  Please keep in
 mind that the CSB vendor will be bound by the Department of Education's interpretation of all appropriate regulations and statutes.  For CSB, as
noted in Section 2.3.6 – Documentation of the Statement of Objectives, the CSB vendor must document the business rules of their proposed

**Comments**

5/19 - Whitney Hoffman incorporated final version of answer included in email from Rich Galloway
5/19 - Posted to CSB Website

| Question ID | Vendor Contact | Vendor | Status | Date Received | Due Date |
|---|---|---|---|---|---|
| 13 | Paul Mayer - SLMA | SLMA | Posted | 4/17/2003 | 5/1/2003 |

**Assigned to**

**Web ID**

Heather Stevens

## Vendor Question

Q. To what extent will historical data be required to be loaded to the new system?  For example, prior settled or paid accounts, small balance/credit balance accounts, inactive accounts, written-off accounts, etc.

## FSA Response

A. At a minimum, Sections 2.2.1 Data Management, 2.2.5 Document Management, and 2.3.7 Transition in the Statement of Objectives all discuss the requirements related to data archiving, data storage, and data conversion.  All historical data must be converted to the new solution.  This data includes, but is not limited to, all borrower/loan/account data required to reinstate balances or perform reconciliations, and all imaged documentation.  Although this is not data that can necessarily be loaded into the system, all paper documentation must be "converted" to the new contract as well.  Additionally, the offeror is being asked to propose a data archiving and storage strategy that would address procedures for archiving and accessing, as appropriate, the types of accounts discussed in the original question: paid-in-full, small balances, inactive, written off, etc.

## Comments

4/28 - Assigned to Gary, Denise, and La Teata.  Heather to compile responses.

4/28 - Don't forget that we're asking the offerors to propose an Archiving Strategy.

5/7 - Input not received from all systems.  Heather took the information provided and wrote a response that applies to all of CSB, not just specific systems.

5/14 - Updated answer provided by Heather

5/19 - Whitney Hoffman incorporated final version of answer included in email from Rich Galloway

**Assigned to**

Rich Galloway

**Web ID**

**Vendor Question**

Q. Please provide ED's small business goals.

**FSA Response**

A. The Department of Education's small business goal is to ensure that all businesses have an equitable opportunity to participate in federal procurement. In order to ensure this, a number of special assistance programs have been established.  These include various types of preference programs, such as small business set-asides and programs exclusively for socially and economically disadvantaged companies, as well as other forms of assistance generally designed to help companies that otherwise might not be able to compete for a share of government contract awards.

ED Small Business Goals:
 - Annual Prime Contract Goal:
        - $202.4 Million
        - 23% (of all prime $ awards)
 - Annual Subcontract Goal:
        - $123.2 Million
        - 40% (of all subcontracts)

Prime & Subcontract Targets:
 - Small disadvantaged businesses     5%
 - SD veteran-owned businesses        3%
 - Women-owned small businesses     5%
 - HUBZone small businesses           3%

For more information you may access this website: http://www.ed.gov/offices/OCFO/contracts/booklet1.html  This document will also be found on the CSB Vendor Library.

**Comments**

4/28 - Ramon to follow up with Rich
4/29 - Sent email to Rich w/ answer for his review - Ramon
5/14 - Dave added information from the conference presentation
5/19 - Whitney Hoffman incorporated final version of answer included in email from Rich Galloway
5/19 - Posted to CSB Website

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 15 | Prasad Karunakaran - Zenyon | Zenyon | Posted | 3/3/2003 | 4/30/2003 |

**Assigned to**

Dan Hayward

**Web ID**

**Vendor Question**

Q. What is the Enterprise Application Integration (EAI) Bus implemented in the existing infrastructure?

**FSA Response**

A. IBM's Websphere MQ (formerly MQSeries), version 5.2, provides the messaging backbone for FSA's Enterprise Application Integration (EAI) infrastructure.  It is installed on various FSA systems with the following operating systems: z/OS, HP-UX, Sun Solaris, and Open VMS.  The hub of the infrastructure,  Websphere MQIntegrator (formerly MQSystem Integrator), version 2.0.1, runs on a pair of Sun servers at the Virtual Data Center. For the transport of large volumes of data between systems, CommerceQuest's Data Integrator product, version 4.2.4, provides a high-speed mechanism that builds upon the MQ infrastructure.  In addition, the integration team makes use of version 1.2 of the MQSeries Application Messaging Interface (AMI) when custom interfacing components are required.

For further information related to the EAI Bus and how it is implemented in the existing architecture please review Section 2.1 Enterprise Application Integration within the FSA Technology Infrastructure Blueprint v3 under the Enterprise Technology Information/Standards section of the  CSB Vendor Library as well as the EAI Enablement Guide (10/30/02) under the Enterprise Technology Security section of the CSB Vendor Library.

**Comments**

Assistance from Whitney and Sachin, if necessary

5/7 - Whitney added to Dan's answer

5/19 - Whitney Hoffman incorporated final version of answer included in email from Rich Galloway

5/19 - Posted to CSB Website

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | | **Date Received** | **Due Date** |
|---|---|---|---|---|---|---|
| 16 | Pamela Torok - immix | immix Technology | Posted | | 4/23/2003 | 5/1/2003 |

**Assigned to**

Whitney Hoffman

**Web ID**

### Vendor Question

Q. In FSA's technical policies and standards document, it says that IBM's Websphere and MQ Series are standards for application servers and EAI. Does that mean that FSA will not look at any other vendor for this opportunity? I also see that Viador e-portal suite is your portal standard. Does that mean that FSA will not consider any other portal vendor for the Common Services for Borrowers opportunity?

### FSA Response

A. IBM's Websphere and MQSeries, and Viador's ePortal Suite are the current standards for application servers, EAI, and Portals respectively. As stated in section 1.3 Integrated Technical Environment of the SOO, the new CSB solution should be compatible and compliant with the components of the FSA Integrated Technical Environment and, where possible, incorporated in the proposed solution. To be clear, the discussion of EAI and portals is related to the existing FSA environment into which the CSB solution must integrate. It does not relate to new components FSA is expecting of the CSB vendor(s).

Vendors may propose the technical solution that offers the Department the greatest value. Proposals using other components will be evaluated against the same factors as proposals using the standard components except that any additional costs incurred by the government in supporting the non-standard components. The Department's Standards would not be changed by the proposed system. Changes to the FSA standards are not an expectation of awarding the CSB contract.

As indicated in the SOO, Section 1.3.3.6 Web Portals - Simplified Customer Access falls under Section 1.3.3 FSA Applications Outside of Student Credit Management rather than Section 1.3.4 FSA Applications Within Student Credit Management. The CSB solution is only expected to encompass those applications that fall within Student Credit Management. The solution will have to integrate with those applications outside of Student Credit Management but will not change, modify, or manage these applications.

### Comments

5/19 - Rich requested additional work for this question
5/19 - New language received from Dan
5/20 - Whitney to update language and send to Dan for review.
5/21 - New language from Whitney
5/29 - Posted to CSB Website

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 17 | Marc Ashley - BankOne | BankOne | Answer Prepared, not yet Posted | 4/29/2003 | 5/2/2003 |

**Assigned to**

**Web ID**

Cindy Battle

**Vendor Question**

Q. Of the 19.6 Million Direct Loan Servicing and 1.1 Million Collections both inbound and outbound calls.  How many are with a live agent and how many are IVR?

**FSA Response**

A. Collections for 2002:
72.26% of calls offered for live agents
27.74% of calls offered via the IVR
No outbound calls.

Servicing for 2002:
 Of all incoming calls, Borrower Services handled about 83%.  Of that, approximately 27% of inbound Borrower Services calls are handled by the IVR.

**Comments**

- DMCS piece assigned to Brian Sullivan and given to Dena Bates
5/14 - Numbers in conference presentation do not match Appendix H (location where the question information came from).  Whitney is currently working with Cindy Battle and/or La Teata to resolve this discrepancy and determine the correct answer.
5/20 - Need number of outbound calls that result in CSR talking to someone from Cindy
6/12 - Answer updated.

| Question ID | Vendor Contact | Vendor | Status | Date Received | Due Date |
|---|---|---|---|---|---|
| 18 | Burnell Meyer - Expand Beyond | Expand Beyond | Posted | 4/28/2003 | 5/2/2003 |

**Assigned to**

Ronald Sann

**Web ID**

**Vendor Question**

Q. Does the new Patriot Act apply to this acquisition - identity validation & verification for the disbursement of funds?

**FSA Response**

A. We have recently advised other offices in FSA on the applicability of the Patriot Act to FSA's operations, including the Direct Loan program. Based on our discussions with the Treasury Department, and our consideration of the law here, we can advise you that, at the present time, FSA is not covered by the Patriot Act.   (FYI-FFEL program lenders are subject to the law and need to ensure that their operations, including those relating to the student loan programs, satisfy Patriot Act requirements.   However, they cannot rely on the FAFSA process for satisfying these requirements.) We have been told by the Treasury Department that future efforts at implementation of the Patriot Act could impact FSA operations.  We will monitor this potentially changing situation and let you know of any developments.

**Comments**

5/19 - Whitney Hoffman incorporated final version of answer included in email from Rich Galloway
5/19 - Posted to CSB Website

| Question ID | Vendor Contact | Vendor | Status | Date Received | Due Date |
|---|---|---|---|---|---|
| 19 | Not Provided | | Transcript | 5/2/2003 | |

**Assigned to**

**Web ID**

Dan Hayward

**Vendor Question**

Q. This is really two questions.  I'm curious about the new identifiers.  Right now you have EID.  You have a unit ID.  It would be nice to have one identifier for an institution that had records.  Why are you replacing it rather than updating, say, with an EID?  What do you perceive?  I have my own ideas of what the problem are, but what do you perceive are the problems with the institutional identifiers now?  And this really applies also to the student identifiers.  In the NSLDS, we use the Social Security number, and again I can think of some problems with that.  But what do you see as the problems, and how is the new common student identifier going to solve that?

Without information on timing of implementation for these initiatives, nor details as they are known to date, it will be at best difficult to propose under a fixed price contract.

**FSA Response**

A. Let me start off by saying that I'm not in charge of those projects.  There's a whole data strategy team within FSA that is working on those issues.  We've had a lot of problems with OPE IDs, as well as the use of SSNs is quite -- controversial might overstate it, but there are a lot of concerns with SSN.  However, the direction seems to be a combination of SSN and other identifiers.  The problems are security, theft of identity, those sorts of issues as a driver for the common student ID.  It's also to sync up across multiple systems.  Say a student accessing NSLDS has a different set of identifiers than they do in the Direct Loan Servicing System and so forth.  So it's trying to improve customer service, increase security, maintain the privacy of our borrowers, and the school ID is to try and find something that supports consolidation of campuses and sale of campuses and stuff, and the OPE ID has been problematic at that.  So we're reacting to customer service issues primarily, but for the details, I'm really not the person to speak to.

The routing ID, will help us coordinate our data amongst our systems.  Again, we've got the same problem.  Some of the old legacy systems, of which Direct Loans is becoming one of those, we all have different uses and needs, and we're trying to sync those up so that we have a more efficient routing method for our data.

Yeah, in regards to the question about the providing the identification number, the RID, and the common student ID, the routing ID will include guarantors, lenders and others.  So the routing ID will be more universally used rather than just for schools.  So that's the purpose that we're looking at that.

And then on the common student ID, it's going to be an algorithmic-based number that we generate internally, so that the people that will have to do it are the systems that are servicing the Title IV programs, and it won't mean that anybody has to submit a different number.  We'll derive it from

**Comments**

This was a question raised at the Pre-Proposal Conference.

5/19 - Answer updated based on transcript of conference.

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**

20 Not Provided Transcript 5/2/2003

**Assigned to** **Web ID**

Dan Hayward

**Vendor Question**

Q. Do you think there will be any need for follow-up and independent verification?  I know that there are some problems that have arisen in CBS and they have acquired verification, independent verification.  Do you perceive any need for such services?

**FSA Response**

**Comments**

This was a question raised at the Pre-Proposal Conference.

5/19 - Answer previously listed in here was not correct.

5/20 - No need to provide any further answer.

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 21 | Not Provided | | Transcript | 5/2/2003 | |

**Assigned to**

**Web ID**

Dan Hayward

**Vendor Question**

Q. Please explain your call center service level standards and current performance.  For example, how is the nine-second average time to answer measured?  Does it include time in the VRU?

**FSA Response**

A. Our current contract has some very specific performance standards that are written into the contract.  However, under CSB we are asking you to propose what's best in business, what are industry standards, what are your ideas on performance and measures.  We're not expecting the current contract performance standards to be moved into the new one, and so I won't even go into a lot of detail about what they are.  We want you to tell us what you will do, and we'll evaluate that.

The second part of the question, the time our ASA -- I'm telling you we're not going to worry about it, but I'll tell you what the answer is.  We measure it from when they select from the VRU menu until they're talking to a customer service rep.  So it does not include the time, introductory

**Comments**

This was a question received via note card at the Pre-Proposal Conference.

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 22 | Not Provided | | Posted | 5/9/2003 | 5/9/2003 |

**Assigned to**

Rich Galloway

**Web ID**

**Vendor Question**

Q. A recent synopsis at FedBizOpps announces the Department of Education's intent to extend its Direct Loan Servicing contract with ACS. Does this imply a change in scope or schedule for the Common Services for Borrowers (CSB) procurement?

**FSA Response**

A. No. The current schedule for CSB remains in place with only minor adjustments.  Phase I selections were announced on May 19, 2003.  Release of the CSB Phase Two RFP was announced in FedBizOpps on May 21, 2003 with an anticipated closing date of June 23, 2003. The target date for award of CSB remains September 2003.

As the FedBizOpps posting states, the proposed extension of the ACS contract is to allow for a reasonable transition period between that contract and the new CSB contract. The length of the transition period for CSB will be addressed in offerors' proposals and subsequent negotiations in Phase II of the CSB competition

**Comments**

5/9 - Posted to CSB Website
5/23 - Rich Galloway updated answer and re-posted to Website.

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**
23 Not Provided Posted 5/2/2003 5/12/2003

**Assigned to** **Web ID**
Denise Leifeste

**Vendor Question**

Q.  Do you have an electronic mechanism today for managing payoffs with external lenders?

**FSA Response**

A. We currently have an Electronic Funds Transfer (EFT) process in place and pay participating lenders (i.e., lenders who enroll to be paid electronically) through EFT.  Lenders who participate in EFT receive an email indicating they have an EFT payment from LC.  The lender then logs onto the LC web site, pulls down a borrower roster that shows the borrower whose loans are paid and the amount of the payment.  Lenders then apply the funds to the borrower accounts according to the roster.

**Comments**

This was a question received via note card at the Pre-Proposal Conference.  It was determined  that this was a question that needed further clarification to what was stated at the Pre-Proposal Conference.

5/19 - Whitney Hoffman incorporated final version of answer included in email from Rich Galloway

5/19 - Posted to CSB Website

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 24 | Not Provided | | Posted | 5/2/2003 | 5/12/2003 |

**Assigned to**

Gary Hopkins

**Web ID**

### Vendor Question

Q.  Please describe in a little more detail the TOPS & Matching Program.

### FSA Response

A. The current process for the Treasury Offset Program (TOP) requires the Guaranty Agencies (GA) to send the various files to Education.  Education then combines the GA data with the Education data and sends one file to Treasury.  Likewise, Treasury sends one file to Education and Education is responsible for breaking down the data, by GA, and sending it to the appropriate GA, or for notifying them that they will not be receiving a file. There are weekly and annual TOP processes, currently.  In addition, Education creates a record of the entire GA certified debts, which contains very limited information.  This information is used to track activity on the accounts and to assist both borrowers and GA staff.  These records are updated with information received from both the GAs and Treasury.

Each matching agreement is different, but most involve Education acting as a conduit for the GAs.  In the National Directory of New Hires (NDNH) program, Education combines all of the GA information together, but sends separate files (one containing GA data, and one containing Education data) to Health and Human Services (HHS).  For this match, Education does not create a record and does not retain any information on GA accounts.  Education does; however, take the return HHS file, break the information down by GA, and return the information to the appropriate GA.

### Comments

This was a question received via note card at the Pre-Proposal Conference.  It was determined  that this was a question that needed further clarification to what was stated at the Pre-Proposal Conference.

5/19 - Whitney Hoffman incorporated final version of answer included in email from Rich Galloway

5/19 - Posted to CSB Website

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**

25 Not Provided Posted 5/2/2003 5/12/2003

**Assigned to** **Web ID**

Gary Hopkins

**Vendor Question**

Q.  What proportion of the PIC contract is being incorporated into CSB?

**FSA Response**

A. All of the requirements of the DCSIC (Debt Collection Service Information Center) portion of the existing PIC Contract, including but not limited to:

o Providing and Maintaining an Interactive Voice Response System
o Placing and/or Returning Calls
o Receiving, Opening, Sorting, and Scanning DCS Non-Controlled Correspondence
o Responding to DCS Non-Controlled Correspondence
o Receiving, Scanning, and Responding to DCS Controlled Correspondence
o Treasury Offset Program/Administrative Wage Garnishment/Federal Salary Offset Requests for Review/Hearings
o Processing Bankruptcy Documents (Optional)
o Developing DCS Management Information System (MIS) Reports
o Identifying and Processing Accounts for Loan Rehabilitation

**Comments**

This was a question received via note card at the Pre-Proposal Conference.  It was determined  that this was a question that needed further clarification to what was stated at the Pre-Proposal Conference.
5/19 - Whitney Hoffman incorporated final version of answer included in email from Rich Galloway
5/19 - Posted to CSB Website

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**
26 Not Provided Closed - CO 5/2/2003 5/12/2003

**Assigned to** **Web ID**
Mike J. Murray

## Vendor Question

Q.  Clarification of ROM Cost Request for May 7:

1. How should we treat a transition period that will end at a time on other then September 30?   For example, if transition ends January 1, should period from Jan 1 – Sept 30 be treated as "Transitions" or Year 1?

2. Should costs for ongoing license of software and data "To be negotiated" (e.g., for succeeding vendor) be included?

## FSA Response

A.

1. Include your operational costs in the operations column of the Transition Period and note the date when full operations started and any other information to explain your ROM.

2. Yes, provide your best estimate for your Rough Order of Magnitude

## Comments

This was a question received via note card at the Pre-Proposal Conference.  It was determined  that this was a question that needed further clarification to what was stated at the Pre-Proposal Conference.

5/19 - Whitney Hoffman marked this question as Closed - CO at the direction of Rich Gallowy since this question dealt with ROM and was not longer

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 27 | Not Provided | | Posted | 5/2/2003 | 5/12/2003 |

**Assigned to**

Rich Galloway

**Web ID**

**Vendor Question**

Q.  Please elaborate on current contracts that will become part of CSB, and those which remain outside of CSB. To Include:

1. Current contractor

2. Size in $$ annual amount?

**FSA Response**

A. Please refer to Section 1.3.4 of the SOO for a list of systems included within the scope of CSB.  By definition, everything that is not listed is excluded from the scope of CSB.

Below are the approximate FY2002 costs on contracts related to CSB for both operations and development.  Note that CDDTS is a new contract so the costs shown below are only 7 months, from July 2002 to January 2003.  The $2.4M includes the CDDTS start-up costs.  The costs shown for DCSIC are the DCS related costs to that particular contract.  The DLSS costs include computer related costs that the other contracts have at the VDC.   The VDC costs are not shown below.  These costs also exclude postage, which was provided in response to a previous question.

| System | Contractor | FY 2002 in Millions |
|---|---|---|
| DMCS | Raytheon E-Systems | $15.9 |
| DCSIC | NCS Pearson | $9.1 |
| DLSS | ACS Government Services | $159.9 |
| DLC | EDS | $29.0 |
| CDDTS | ACS Government Services | $2.4 |

**Comments**

This was a question received via note card at the Pre-Proposal Conference.  It was determined  that this was a question that needed further clarification to what was stated at the Pre-Proposal Conference.

Need to attach the PowerPoint slide referenced in above answer.  May also need to more fully answer the question and either give the requested information related to the current contractors and size in $ annual amounts or indicate that this information cannot be shared due to its proprietary nature.

5/19 - Rich requested additional work for this question

5/20 - Dan provided answer from all systems

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 28 | Not Provided | | Posted | 5/2/2003 | 5/12/2003 |

**Assigned to**

**Web ID**

Dan Hayward & Heather Stevens

**Vendor Question**

Q.  Please comment on the current Siebel installation
1. Number of seats?
2. Does the department own enough seats to support the solution
3. How many call center agents does the solution require?
4. How many call center agents do you currently have?

**FSA Response**

A. 610 Siebel licenses are currently held.  The current plan is for 467 users to be on the Siebel application (eCRM).  This 467 is comprised of the following:

   390 CSRs
   35 Assist Reps and Team Leads
   20 QC and Floor Trainers
   22 Supervisors and Support Staff

Approximately 340 of the above users have been trained and are already answering phones using the eCRM application.

This total is some subset of the planned scope of eCRM -- all representatives responsible for Inbound Calls in both the Borrower Services and Loan Counseling Departments.  This group of users represents approximately 1/2 of all call center personnel.  There are approximately 1100-1200

**Comments**

This was a question received via note card at the Pre-Proposal Conference.  It was determined  that this was a question that needed further clarification to what was stated at the Pre-Proposal Conference.
5/20 - Heather provided answer
5/23 - Posted to CSB Website

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**

29 Not Provided Posted 5/2/2003 5/12/2003

**Assigned to**

**Web ID**

Dave Elliott

**Vendor Question**

Q. Under the CSB, will the Data Mart be housed and maintained at the VDC?

**FSA Response**

A. The Department is seeking your best solution for CSB, regardless where the hardware resides.  If your best solution uses the VDC, that would be acceptable.  If your best solution does not use the VDC, that would be acceptable but would need to be justified based on the total cost impact to the Department (e.g., volume discounting might be lost on other contracts, etc.).

**Comments**

This was a question received via note card at the Pre-Proposal Conference.  It was determined  that this was a question that needed further clarification to what was stated at the Pre-Proposal Conference.

5/19 - Whitney Hoffman incorporated final version of answer included in email from Rich Galloway

5/19 - Posted to CSB Website

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**

30 Not Provided Posted 5/2/2003 5/12/2003

**Assigned to** **Web ID**

Dave Elliott

**Vendor Question**

Q.  Who will provide helpdesk and training on Data Mart?

**FSA Response**

A.  The successful offeror must provide helpdesk support for and training on any data mart they may propose and implement.  The Department (or one of its contractors) will provide support for any data mart it operates outside the CSB solution.  If the successful offeror proposes to leverage a data mart operated by the Department, the successful operator will be responsible for training its staff.

**Comments**

This was a question received via note card at the Pre-Proposal Conference.  It was determined  that this was a question that needed further clarification to what was stated at the Pre-Proposal Conference.

5/19 - Rich requested additional work for this question

5/19 - Dan provided new language

5/20 - Rich provided new language

5/29 - Posted to CSB Website

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**

31 Not Provided Posted 5/2/2003 5/12/2003

**Assigned to** **Web ID**

Mike J. Murray

**Vendor Question**

Q. If postage must be paid for by CSB Vendor, what was 2002 Postage Cost?

**FSA Response**

A. In FY02, the combined postage costs (including return address cards) for the component systems of CSB was approximately $24 million.

**Comments**

This was a question received via note card at the Pre-Proposal Conference. It was determined that this was a question that needed further clarification to what was stated at the Pre-Proposal Conference.

5/19 - Whitney Hoffman incorporated final version of answer included in email from Rich Galloway

5/19 - Posted to CSB Website

**Assigned to**

**Web ID**

Mike J. Murray

**Vendor Question**

Q. Please explain in more detail what telephone costs the government will pay for directly.

**FSA Response**

A.  The Department pays for the voice lines and data lines plus any CSU/DSU interfaces required for telecommunication connection to a contractor site.  The Department does not pay for the telephones, call management systems or any servers required for the Customer Service Reps at the call centers.  The Department pays for all servers located at the Department's Virtual Data Center (VDC) including the connection(s) to those servers. ED does not pay for the equipment located at the contractor site requiring connection to the VDC.

**Comments**

This was a question received via note card at the Pre-Proposal Conference.  It was determined  that this was a question that needed further clarification to what was stated at the Pre-Proposal Conference.

5/19 - Whitney Hoffman incorporated final version of answer included in email from Rich Galloway

5/19 - Posted to CSB Website

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**
33 Not Provided Posted 5/2/2003 5/12/2003

**Assigned to**

**Web ID**

Mike J. Murray

**Vendor Question**

Q. Are PIN and other processing fees to be borne by vendor?

**FSA Response**

A.  No.  The Department will pay all PIN fees.

**Comments**

This was a question received via note card at the Pre-Proposal Conference.  It was determined  that this was a question that needed further clarification to what was stated at the Pre-Proposal Conference.

5/19 - Whitney Hoffman incorporated final version of answer included in email from Rich Galloway

5/19 - Posted to CSB Website

**Assigned to**

**Web ID**

Mike J. Murray

**Vendor Question**

Q.  Would the government or the vendor pay the fees for electronic bill presentment and payment (e.g., to Check Free)?

**FSA Response**

A.  The CheckFree customer pays a fee for an electronic payment.  For bill presentment…

**Comments**

This was a question received via note card at the Pre-Proposal Conference.  It was determined  that this was a question that needed further clarification to what was stated at the Pre-Proposal Conference.

Need to determine whether SIS is to be discussed here or not.  Open question to Dan from Mike J as to whether to discuss SIS in the answer or not (please see above).
5/20 - Mike J. contacted Check-Free.  Answer expected 5/21.

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**
35 Not Provided Posted 5/2/2003 5/12/2003

**Assigned to**

**Web ID**

Dave Elliott

**Vendor Question**

Q.  Does the VDC:
1. Run the solution center / help desk?
2. Manage change control?
3. Administer user administration or adding security for users?

**FSA Response**

A.

1. The VDC supports a help desk for the system users.  However, they do not provide Help Desk support the various applications that run on VDC hardware.  That is the responsibility of the applications provider.

2. The VDC does have a change control process in place.

3. Each Program Office (ED) must have a Security Officer who processes all security issues, including adding new members.  At the same time, the successful offeror, through its own Security Officer, will distribute applications and receive/review them for completeness and accuracy.  The Security Officer will then forward them to appropriate personnel within ED CIO.  The CIO then works with the VDC and the affected users to have the VDC add them to their security system.

**Comments**

This was a question received via note card at the Pre-Proposal Conference.  It was determined  that this was a question that needed further clarification to what was stated at the Pre-Proposal Conference.

5/19 - Whitney Hoffman incorporated final version of answer included in email from Rich Galloway

5/19 - Posted to CSB Website

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**
36 Not Provided Posted 5/2/2003 5/12/2003

**Assigned to**

**Web ID**

Dave Elliott

**Vendor Question**

Q.  What is the VDC'S role in resolving problems with the vendor's solution?

**FSA Response**

A. The VDC will work with the vendor to implement changes and provide testing support for identified problems.  They will, in fact, be the computer operations and systems programming support for CSB.  The VDC has no responsibility for the actual solution being proposed/implemented by the

**Comments**

This was a question received via note card at the Pre-Proposal Conference.  It was determined  that this was a question that needed further clarification to what was stated at the Pre-Proposal Conference.

5/19 - Whitney Hoffman incorporated final version of answer included in email from Rich Galloway

5/19 - Posted to CSB Website

| Question ID | Vendor Contact | Vendor | Status | Date Received | Due Date |
|---|---|---|---|---|---|
| 37 | Paul Mayer - SLMA | SLMA | Answer Prepared, not yet Posted | 5/1/2003 | 5/12/2003 |

**Assigned to**

Dan Hayward

**Web ID**

**Vendor Question**

Q.

1. Please address FSA's flexibility in allowing proposals to replace "preferred" components of the CSB (e.g., Siebel, AIA).

2. What is FSA's position on the contractor's flexibility to suggest changes in the business requirements to enable efficiencies?

**FSA Response**

A.

1. The RFP does not use the term "preferred." However, see section 1.3 of the SOO concerning components of CSB. Use of Seibel is addressed in 2.2.7.2. FSA is seeking the offeror's best thinking as to the components of CSB. We are seeking a "best value solution" and will consider the offeror's suggestions and the impact of those suggestions on the value we perceive. Thus, "preferred" solution is the one that best meets the evaluation factors and criteria in section M of the RFP. If the offeror proposes a replacement component or product that it feels would be a better solution, the proposal will be evaluated in accordance with the factors and criteria in section M of the RFP.

2. The RFP does not use the phrase "business requirements." The contractor must meet all the functional and ancillary requirements of the SOO. An offeror may suggest specific changes in the SOO to enable efficiencies. Any suggested changes must be consistent with laws and regulations (see section 2.0 of the SOO). Suggestions for changes to the SOO should be submitted soon, since if accepted, they must be incorporated by amendment to the RFP.

"Business rules" are a different manner. FSA has included a number of business rules in the CSB Public Library. These documents are the "how to" procedures used in the current environment, but are not requirements of the CSB solution. They represent one method of performing a function. There may be other, better solutions that are consistent with the SOO and comply with laws and regulations. We are not seeking to replicate existing systems. The offeror must propose the "how to" approaches of achieving the CSB requirements, (considering the impact on value and

**Comments**

6/6 - Answer received from Dan.

6/12 - Updated by Rich…this was actually split into 2 questions on the Web.

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 38 | Paul Mayer - SLMA | SLMA | Answer Prepared, not yet Posted | 5/1/2003 | 5/12/2003 |

**Assigned to**

Bill Foster, Jon Bollinger

**Web ID**

**Vendor Question**

Q. Provide information on format, substance, and level of detail for any cost accounting reports that will be required.

**FSA Response**

A.

Funding Reports:

Reporting Funding Fiscal Year, Limitation, Loan program Type, Risk Category & Object Class for Status of Funds (Allotted Funds, Obligations, Expenditures, Unexpended - for monthly & year to Date totals); and for Credit Reform Cohort Year Cash Flow Reporting

Accounting Reports:
- Error Reports
- Accounting Distribution Reports
- Subledger Reconciliation Reports
- Transaction Tables
- Monthly & Annual Subledger Reports (to include Closing reports)
- Trial Balance by Fund & a Working Trial Balance By Fund (to post adjustments)
- Consolidating Trial Balance (All Funds)
- Ad hoc. Query Capabilities
- Cash Receipt Detail
- Unapplied Cash Detail
- Cash Disbursement Detail
- Specific Collection Reports (e.g. Treasury Offset, Wage Garnishment, Department of Justice, Collection Agencies)
- Report of Debts Assigned by Assignor (Lender, GA, Intra-Fund Transfers)
- Report of Loans Consolidated (by Fund, Cohort Year, Loan Program Type, Risk Category)
- Report of Loans Rehabilitated
- Receivable Aging Reports (by Fund, Cohort Year, Loan Program Type, Risk Category)
- Automated Receivables Due From the Public Reporting
- Loan Portfolio Analysis

**Comments**

5/20 - Dan to follow up with Bill Foster

6/9 - Whitney Hoffman incorporated answer as provided by Jon Bollinger in email dated 5/20 and forwarded by Dan Hayward on 6/6

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 39 | Paul Mayer - SLMA | SLMA | Posted | 5/1/2003 | 5/12/2003 |

**Assigned to**

**Web ID**

Rich Galloway

**Vendor Question**

Q. Does the Department intend to conduct negotiations with offerors in Phase II?

**FSA Response**

A. Yes.

**Comments**

5/22 - Whitney Hoffman changed the question at the direction of Rich Galloway from "Will the winner be selected solely based on the proposal submission, or will their be an 'extended' evaluation period where a select field of offers work with the Dept to determine the strength of their solution?" to "Does the Department intend to conduct negotiations with offerors in Phase II?" and add the response of "Yes."

5/29 - Posted to CSB website

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**

40 Paul Mayer - SLMA SLMA Closed - CO 5/1/2003 5/12/2003

**Assigned to**

Dave Loewenstein

**Web ID**

**Vendor Question**

Q. Where and how will bidders have the opportunity to examine the current operating and systems environment?

**FSA Response**

A. Please refer to question #XX on the CSB Website for this answer.

**Comments**

5/20 - See question ID # 92 for answer

5/28 - Dave L. closed since all questions answered by referring to other questions have been closed by Rich.

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**

41 Paul Mayer - SLMA SLMA Closed - CO 5/1/2003 5/12/2003

**Assigned to** **Web ID**

Dave Loewenstein

**Vendor Question**

Q. What costs will FSA be paying for directly and therefore should not be considered in our ROM (i.e., telephone, lockbox, postage, PIN fees, etc.)?

**FSA Response**

A. The answers to this question can be found by referring to questions 17, 18, 19 and XX

**Comments**

5/20 - Answers to refer to other questions.
5/21 - Last answer tentatively #25.
5/28 - Dave L. closed since all questions answered by referring to other questions have been closed by Rich.

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**

42 Paul Mayer - SLMA SLMA Closed - Duplicate Question 5/1/2003 5/12/2003

**Assigned to**

**Web ID**

Mike J. Murray

**Vendor Question**

Q. For the ROM, should costs associated with the Government's rights to data and computer software that could be extended to new CSB vendors (including servicers that could be involved in a subsequent recompetition) be included?

**FSA Response**

A.  Yes, provide your best estimate for your Rough Order of Magnitude

**Comments**

This question is very similar to part 2 of question ID #26 which was raised via note card at the Pre-Proposal Conference.  Same answer provided to part 2 of that question was used here.

5/16 - Post #26 in lieu of this

5/19 - Whitney Hoffman marked question id #26  as Closed - CO at the direction of Rich Galloway since this question dealt with ROM and was not longer relevant

| Question ID | Vendor Contact | Vendor | Status | Date Received | Due Date |
|---|---|---|---|---|---|
| 43 | Paul Mayer - SLMA | SLMA | Closed - Duplicate Question | 5/1/2003 | 5/12/2003 |

**Assigned to**

Mike J. Murray

**Web ID**

**Vendor Question**

Q. For the ROM, please clarify whether the transition period should be treated as ending on a September 30th.  For example, what if the contract begins on October 1st, and the transition period lasts 15 months.  Does FSA want the remaining 9 months of the fiscal year treated as "transition period" or as part of "year 1"?

**FSA Response**

A. Include your operational costs in the operations column of the Transition Period and note the date when full operations started and any other information to explain your ROM.

**Comments**

This question is very similar to part 1 of question ID #26 which was raised via note card at the Pre-Proposal Conference.  Same answer provided to part 1 of that question was used here.

5/16 - Post #26 in lieu of this

5/19 - Whitney Hoffman marked question id #26  as Closed - CO at the direction of Rich Gallowy since this question dealt with ROM and was not longer relevant

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**
44 Paul Mayer - SLMA SLMA Closed - CO 5/1/2003 5/12/2003

**Assigned to**
Mike J. Murray

**Web ID**

**Vendor Question**

Q. Relative to the May 7th response, the SOO described default aversion (delinquency management) objectives but did not separately identify this function as a line item on the ROM.  Please explain.

**FSA Response**

**Comments**

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 45 | Paul Mayer - SLMA | SLMA | In Progress | 5/1/2003 | 5/12/2003 |

**Assigned to**

**Web ID**

Sandy Harris, Cindy Battle

**Vendor Question**

Q. While FSA provided some insight into loan and activity statistics in the most recent SOO, a greater level of depth in a number of areas is needed. How and when can the following information be provided?

1. 12-month historic loan portfolio status profiles by program type, status, including delinquency (in 30-day buckets) and default characteristics (non-defaulted Direct Loans serviced and collection portfolio loans);

2. Portfolio growth forecasts for 8 years, including servicing, consolidation, and debt collections;

3. Summary and supporting detail of annual hours of system maintenance and custom development for each existing system within the scope of the SOO for 2002 and 2003 (planned);

4. Annual volumes, by communication channel, for: payments processed, in-bound and out-bound mail processed, in-bound and out-bound calls handled by customer service representatives, calls handled by the IVR, deferments processed, forbearance processed, and borrowers transferred from DLSS to collection system;

5. Consolidation volume by application method (paper app, online app/web, web/E-Signature);

6. Consolidation volume of internal (all direct loans) & external (other lenders) consolidations;

7. Consolidation volume of application packets distributed & LVCs processed;

8. Information on Borrower Benefit Programs offered for consolidation borrowers.

**FSA Response**

A.

1. This information can be found in the following documents within the CSB Resource Library (http://www.1800iwillpay.com/csb/library.html):

- delinquentloancountfy02&03.xls
- LoancountbytypesMar02.xls
- LoancountbytypesMar03.xls
- DCS Portfolio.xls

2. The Department has requested that bidders use the SCENARIO 1 from the Phase 1 Cost Proposal document.

3. The Department does not wish to release this information. What occurred in the existing system should not affect the bidder's estimation of the effort to support their system.

4. For Loan Consolidation:
- DLCS processed payments to loan holders in 2002 in excess of $9.067 billion.
- Incoming mail averages 750K - 975K pieces annually. Outgoing mail is approximately 1.5 million pieces annually.
- Inbound calls have averaged just over 1 million. Outbound calls are not tracked.
- Voice Response Unit (VRU) calls averaged 100K with an additional VRU application status calls averaged nearly 500K.

For Collections:
This information can be found in the following documents within the CSB Resource Library (http://www.1800iwillpay.com/csb/library.html):

- FFEL Processor 12 month.xls
- FFEL Batch 12 month.xls
- FFEL CICS 12 month.xls
- FFEL TSO 12 month.xls

5. Most recent annual average application method:
- Paper                    412K;
- Web/Not E-Signed      930K;
- Web/E-Signed           218K.

6. Most recent Consolidation volume: 567K Direct Loans; all other types 1.3 million.

7. Most recent volume: 110K Paper Applications mailed; 402K LVCs sent.

8. Borrower benefit programs are described in : "The Direct Consolidation School Guide ("http://www.loanconsolidation.ed.gov/forms/consolid.pdf); "The Student Guide" (http://studentaid.ed.gov/students/publications/student_guide/index.html); "Student Loans Driving You Crazy Brochure" (http://www.loanconsolidation.ed.gov/forms/sldyc.pdf); the Direct Loan Regulations (found on the CSB Vendor Library); and, on the DLCS web site (http://loanconsolidation.ed.gov).

## Comments
Comments in actual table of SLMA questions indicate that several parts of this question are in the process of being answered including 1, 2, and 4. Part 4 indicates Sandy Harris is on point to provide the answer to that part.  Not clear as to who is on point for parts 1 and 2 or any of the other parts (i.e., 3, 5, 6, 7, and 8)

5/20 - Andy Cho to answer part 1.  Mike J. to answer part 2.  Dan to answer part 3.  Denise, Gary, Brian, Sandy Harris, and Cindy to provide answers for part 4.  Denise to answer parts 5-8.

5/27 - Whitney Hoffman added answer to part 1  to refer potential vendors to the Resource Library for the four documents  provided by Andy Cho. THE FOLLOWING FOUR DOCUMENTS WILL HAVE TO BE POSTED TO THE LIBRARY BEFORE THE ANSWER TO THIS QUESTION CAN BE POSTED:

- delinquentloancountfy02&03.xls
- LoancountbytypesMar02.xls
- LoancountbytypesMar03.xls
- DCS Portfolio.xls

5/28 - Whitney Hoffman sent all four documents for part 1 of this question to Dan Hayward and Rich Galloway for posting to the CSB Resource Library

5/29 - Whitney Hoffman added answer to part 4  to refer potential vendors to the Resource Library for the four documents  provided by Brian Sullivan.  THE FOLLOWING FOUR DOCUMENTS WILL HAVE TO BE POSTED TO THE LIBRARY BEFORE THE ANSWER TO THIS QUESTION CAN BE POSTED:

- FFEL Processor 12 month.xls
- FFEL Batch 12 month.xls
- FFEL CICS 12 month.xls
- FFEL TSO 12 month.xls

5/29 - Whitney Hoffman sent all four documents for part 4 of this question to Dan Hayward and Rich Galloway for posting to the CSB Resource Library.

5/30 - Whitney Hoffman confirmed that document was posted to the CSB resource Library.
6/3 - LC answers provided
6/6 - Added answers for 2 & 3 from Dan.

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 46 | Paul Mayer - SLMA | SLMA | In Progress | 5/1/2003 | 5/12/2003 |

**Assigned to**

**Web ID**

Randy Bowman

**Vendor Question**

Q.

1. Please make available the current standards and historic performance (past 24 months), by current vendor (e.g., Servicing) the following information (as appropriate):

•In-bound call answer and abandonment rates;

•In-bound and outbound correspondence/fulfillment processing time;

•Portfolio reporting standards and timeframes;

•Status change processing time;

•Disbursement processing time;

•Customer interaction channel mix (shift to e-channels);

•FDLP defaulted loan volume transferred to the Debt Collection System;

•Due diligence compliance level (tracking rejected claim rates).

•Cash reconciliation performance;

•Resolution of audit issues;

•Resolution of systems performance issues;

•Data Center system availability;

•Compliance with applicable laws and regulations; and

•Regular client and partner feedback on quality of performance and working relationships.

2. Copies of recent customer satisfaction surveys;

3. Please clarify the CSB vendor's role in managing standards or defining policies with regard to management of private collection agencies. What is the distinction between the role of FSA and the vendor?

**FSA Response**

A.

1. The Department does not feel it is appropriate to provide current performance standard data, as it is not pertinent to a new solution. The Department is seeking each bidder's proposed standards as they have defined to be their "best value" solution. This information should come from the bidder's experience in the loan industry.

2. The Department does not feel it is appropriate to provide current customer satisfaction data as it is not pertinent to a new solution. The Department is seeking each bidder's proposed standards as they have defined to be their "best value" solution.

3. The CSB vendor will play no role in developing management standards or defining policies with regard to the management and oversight of private collection agencies. The CSB solution only requires a robust third-party outsourcing system solution that includes, but is not limited to, effective inventory placement, tracking, performance measurement, reporting, and reconciliation needed for a successful private collection agency function. FSA personnel will remain responsible for oversight and management of the private collection agencies.

**Comments**

Comments in actual table of SLMA questions indicate that the CO, Rich Galloway, needs to determine if this is proprietary information.

5/20 - Assigned to Dan

6/9 - Whitney Hoffman incorporated answer to part 3 as provided by Gary Hopkins via email to Dan Hayward
6/10 - Dave L. incorporated Dan's answers from 6/6 for #s 1&2.
6/12 - Per Rich, Randy is to determine if this question needs revision.

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 47 | Paul Mayer - SLMA | SLMA | Answer Prepared, not yet Posted | 5/1/2003 | 5/12/2003 |

**Assigned to**

Dan Hayward

**Web ID**

**Vendor Question**

Q. Does FSA have specific service level standards they would like to articulate at this time?

**FSA Response**

A. No.  The Department wishes for the offerors to provide input on service level standards.

**Comments**

5/20 - Assigned to Dan
6/6 - Answer received from Dan.

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**
48 Paul Mayer - SLMA SLMA In Progress 5/1/2003 5/12/2003

**Assigned to** **Web ID**
Jon Bollinger, Bill Foster

**Vendor Question**
Q.
1. Description of reconciliation tasks that are required to be performed (Servicing, Consolidation and Debt collections);
2. Provide copies of sample accounting and financial report (format, informational substance) and level of detail for all required reports;

**FSA Response**
**Comments**
5/20 - Assigned to Jon Bollinger

| Question ID | Vendor Contact | Vendor | Status | Date Received | Due Date |
|---|---|---|---|---|---|
| 49 | Paul Mayer - SLMA | SLMA | In Progress | 5/1/2003 | 5/12/2003 |

**Assigned to**

**Web ID**

Dave Loewenstein

**Vendor Question**

Q.

1. Will loans be received from sources other that the Loan Origination (COD), Consolidation and Debt Management systems?

2. What reporting must be produced by the servicing system beyond the daily reconciliation reports and what is produced by the FMS, CMDM and DLDM applications?

3. Please clarify if there is an opportunity for the vendor to provide its own lockbox services; and

4. Will FSA allow the vendor to determine internal values used by the system to denote key aspects such as loan program?

**FSA Response**

A.

1. At this time, new loans are received by Direct Loan Servicing from COD and Loan Consolidation, while loans can be returned to Direct Loan Servicing from the Conditional Disability Discharge Tracking System (CDDTS) and the Debt Management and Collection System (DMCS). Additional processes are also currently established for handling changes required from prior cohort year close-out reconciliation. As an integrated environment, CSB will continue to receive loans from COD and will be required to receive loan information for underlying loans in the loan consolidation process from various holders of loans eligible for Direct Loan consolidation.

2. This information can be found in the document titled "Servicing Reports Currently Provided to the Department" within the CSB Resource Library (http://www.1800iwillpay.com/csb/library.html).

3.

4. Yes. The CSB vendor may determine their own internal system values to denote key aspects of data, provided that all reporting of this information to FSA is clear and logical. However, FSA retains the right to define its own key aspects of data and may require or disallow, as it sees fit, the capturing of certain data elements.

**Comments**

Comments in actual table of SLMA questions indicate that Randy Bowman is on point to provide the answer to part 1 of the question. Not clear as to who is on point for parts 2, 3, and 4.

5/20 - Randy assigned to Part 1. Monica assigned to part 2. Dave to provide answers to 1, 3, and 4 based on conversations with Dan.

5/27 - Whitney Hoffman added statementfor part 2 to refer potential vendors to the "Servicing Reports Currently Provided to the Department" document within the CSB Resource Library. Whitney also renamed the report to match the aforementioned title and changed the title of the "Quality Assurance, Control, and Improvement Report" to "Quality Analysis, Control, and Improvement Report" per direction from Monica. This modified document will be sent to Dan Hayward and Rich Galloway to be added to the Vendor Library. THIS DOCUMENT MUST BE POSTED IN THE LIBRARY BEFORE THE ANSWER TO THIS QUESTION MAY BE POSTED.

5/28 - Sent modified document for part 2 of this question to Dan Hayward and Rich Galloway for posting to the CSB Resource Library

5/29 - Whitney Hoffman received email from Rich Galloway saying he was ok with posting the document for part 2  incorporated responses from Dave Loewenstein for parts 1 and 4.

5/30 - Whitney Hoffman confirmed that document was posted to the CSB resource Library.

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 50 | Paul Mayer - SLMA | SLMA | Posted | 5/1/2003 | 5/12/2003 |

**Assigned to**

**Web ID**

Dan Hayward

## Vendor Question

Q.

1. Can the vendor use/develop automated payoff interfaces to retrieve DL payoffs for vendor loans?;

2. Please provide business rules for the consolidation underlying HEAL loans;

3. Are "sub" and "unsub" consolidated loans separate loans?;

4. Do DL consolidated loans have INS and GRC statuses for consolidations of INS and GRC status underlying loans?

5. What type of notification is to be sent to the INS status borrowers who consolidate but don't get disclosures?

6. Please provide the underlying business rules for credit check requirements for consolidation of PLUS loans.

7. Outline the requirements for a spousal consolidation loan?

8. Outline how the PIN system operates and if there is any flexibility that the new CSB vendor will have in establishing different/new security measures?

9. What are the reasons for the high percent of applications that don't result in a consolidation loan being originated?  The DL % is 30% typical lenders in the FFEL averages 6 – 10%?

10. What is the annual volume of PLUS Consolidated loans?

11. What is the process and volume for fulfillment packets?

12. Confirm that marketing and counter-marketing are not part of the CSB requirements.

13. What is the volume of E-sign versus paper applications?

14. What is the current vendors staffing level?

15. How often does DL disburse the payoffs for consolidated loans and how much lag time does the disbursing agent need?

16. What level access will the new CSB vendor have to past applications and documentation for research into problems or differences?

## FSA Response

A.

1. Yes.

2. Consolidation of underlying HEAL loans are processed normally but are paid by SF 1081.

3. Please refer to the Direct Loan Regulations.

4. Yes, Direct Consolidation Loans may be made during any period.  There are various situations in which a borrower may forfeit some or all of their grace period remaining on the underlying loan being consolidated.  Please refer to 34 CFR 685.220.

5. Consolidation Loans, including In-school Consolidation Loans are to be disclosed as referenced in 34 CFR 682.205.

6. Every PLUS Consolidation applicant must have a credit check performed before a Consolidation Loan may be made.  Please refer to the Direct Loan Regulations for further information.

7. Please refer to the Direct Loan Regulations.

8. FSA interfaces are established around the universal (for FSA) use of the PIN.  The PIN is provided borrowers at the point of filing a FAFSA.  This PIN should remain constant for that borrower for the life of their aid obligation and should provide access to all FSA systems.  The CSB vendor must comply with that standard.

FSA's CPS assigns the PIN during the FAFSA process.  If a borrower looses their PIN or never received one (a Parent or other authorized individual), they can log onto www.PIN.ed.gov and request a PIN.  If they attempt to access the DLSS web site without a PIN, they are passed to the PIN site (while remaining within the DLSS web site) and are issued a PIN.  They are denied access to any borrower-specific information at the DL site until

they receive and properly use their PIN.  Delivery of the PIN could take several hours (if delivered via the Internet) or up to several days if the PIN is mailed.  On subsequent visits, the customer enters their PIN as part of the logon procedures and the DLSS sends a message (including the PIN) to CPS.  CPS returns either an acceptance or rejection and the site acts accordingly.

## Comments

Comments in actual table of SLMA questions indicate that Bill Burns is on point to answer all parts of this question.

5/29 - Whitney Hoffman incorporated responses from Bill Burns and sent 2 emails to Dan Hayward asking for answers to 4, 5, and 12 and asking him to review the answers provided to 8 and 9.

5/29 - Whitney Hoffman incorporated answer to part 8 and left the answer to part 9 as is per direction of Dan Hayward received via email.

6/2 - Whitney Hoffman incorporated answers to parts 4, 5, and 12 from La Teata Jackson received via email and marked the question as "Answer Prepared, not yet Posted."

6/3 - Answer Posted to CSB Website

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 51 | Paul Mayer - SLMA | SLMA | Posted | 5/1/2003 | 5/12/2003 |

**Assigned to**

Gary Hopkins, Brian Sullivan

**Web ID**

**Vendor Question**

Q. Provide a detailed list of tasks required under debt collections/management function and annual transaction volumes.

**FSA Response**

A. This information can be found in the document "Debt Collections - Management Function Tasks and Annual Transaction Volumes" within the CSB Resource Library (http://www.1800iwillpay.com/csb/library.html).

**Comments**

Comments in actual table of SLMA questions indicate that Gary Hopkins/Brian Sullivan are on point to answer this question.

5/27 - Whitney Hoffman added a comment referring vendors to the "Debt Collections/Management Function Tasks and Annual Transaction Volumes" document in the CSB Resource Library. THE TITLE OF THIS DOCUMENT MUST BE CHANGED FROM "csb question ID 51-response.xls" to "Debt Collections/Management Function Tasks and Annual Transaction Volumes" AND THE FIRST COLUMN MUST BE MODIFIED TO FIT ALL THE DELIVERABLE TITLES. A CHECK MUST BE DONE TO ENSURE THAT ALL TITLES ARE COMPLETE. ANITA WILLIAMS IS ON POINT FOR MODIFICATIONS TO THE DOCUMENT. WHITNEY HOFFMAN SENT HER AN EMAIL ON 5/27. THIS DOCUMENT MUST BE POSTED IN THE LIBRARY BEFORE THIS ANSWER CAN BE POSTED.

5/29 - Received modified document from Anita Williams and sent the document to Dan Hayward and Rich Galloway for posting to the CSB Resource Library

5/29 - Whitney Hoffman received email from Rich saying he would send the document to Eric for posting and marked the question status to "Answer Prepared, not yet Posted"

5/29 - Whitney Hoffman confirmed that document was posted to the CSB resource Library and marked the question as "Answer Prepared, not yet Posted."

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 52 | Paul Mayer - SLMA | SLMA | Answer Prepared, not yet Posted | 5/1/2003 | 5/12/2003 |

**Assigned to**

**Web ID**

Dan Hayward, Rich Galloway

**Vendor Question**

Q. Since we don't have transparency on VDC costs, how will the Reponses be evaluated?  Should we provide an alternate summary of costs under the scenario that the vendor provided data center functions?

**FSA Response**

A. As stated in subsection L.4 of the RFP, "FSA will calculate the VDC hosting costs of all proposed solutions."  In the price evaluation, as stated in M.1(D) of the RFP, "The Government may consider other costs, such as use of the VDC, that may or may not be part of the offeror's proposed price." The Department must receive your costs of computing resources – if not hosted in the VDC – as a separate costs.  The Department will evaluate those costs and their impact, vs. the VDC costs.  If your costs are based on hosting in the VDC, no separate documentation is necessary.

**Comments**

Comments in actual table of SLMA questions indicate that Rich Galloway/Dave Elliott are on point to answer this question.
5/20 - Dan to provide answer that indicates costs are needed both with and without use of the VDC and that the Government will factor in costs where appropriate.
6/6 - Answer received from Dan.

**Assigned to**

**Web ID**

Dave Loewenstein

**Vendor Question**

Q. Please describe the scope and services provided by the VDC.   Specifically, will the VDC support both development and production environment.

**FSA Response**

A. Services provided by the VDC are covered by questions 20 & 21 that are posted to the CSB Website.

**Comments**

This question is very similar to  question IDs #35 and #36 which were raised via note card at the Pre-Proposal Conference.  Same answer provided to those questions may be appropriate here (please see above).  Additional information may be necessary as well.

5/20 - Dave L. provided reference to appropriate questions.

5/23 - Rich closed this issue since it only references other questions.

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 54 | Paul Mayer - SLMA | SLMA | In Progress | 5/1/2003 | 5/12/2003 |

**Assigned to**                                                                                                                                    **Web ID**

Randy Bowman

## Vendor Question

Q. When and how will the following information be provided?

1. Current and proposed technology architectures and data models for all CSB systems and systems with which CSB will interface;
2. Current FSA "business architecture";
3. Action Teams' lists of opportunities for improvement;
4. Functional requirements documents;
5. Access to software code for key systems;
6. List of required interfaces associated record layouts, and detailed specifications;
7. Facility tours and discussion with key FSA liaison and/contractor(s);
8. Identification of any known data quality problems that could influence/impede data conversion;
9. Data samples, test files and record layouts and descriptions (to assess data quality within existing transaction systems); and,
10. A description of the contractual scope of work, contractual service level agreements, and actual performance of the Virtual Data Center (VDC).

## FSA Response

1.  Proposed technology architectures, data models, and interfaces for CSB are expected to be included with your proposal.   There is information within the CSB Resource Library (www.1800iwillpay.com/csb/library) related to the current technology architectures and data models for each individual system (i.e., Servicing, Consolidation, Collections, and CDDTS) that will become a part of the final CSB solution.  The CSB Resource Library also contains documents containing current architecture standards and details.  Please note that this information is current state and is purely for your edification.
2.  Information on the current FSA "business architecture" can be found within the CSB Resource Library (www.1800iwillpay.com/csb/library).
3.  FSA is interested in learning what you believe the potential opportunities for improvement are.
4.  Please see Section 2.2 CSB Functional Requirements of the SOO.
5.  This information will only be made available upon award of the CSB contract and only for the systems that are owned by or licensed to the Department.
6.  Information on required interfaces, associated record layouts, and detailed specifications can be found within the CSB Resource Library (www.1800iwillpay.com/library).
7.  The Department does not plan to tour existing facilities.  We do plan on visiting bidder's facilities prior to (not yet determined) award.
8.
9.  This information will only be made available upon award of the CSB contract.
10. A sanitized copy of the VDC contract will be made available for  the three selected offerors.   To make arrangements to view or copy these

## Comments

Comments in actual table of SLMA questions indicate that it is not clear who this question should be assigned to.  The comment reads as follows "Unknown/Rich Galloway??  Anyone who can help?"  This comment needs to be addressed and the question assigned as soon as possible.

Some of the information being asked for can be found in the CSB Vendor Library.
5/20 - Dave E. to answer question 10.  Whitney to develop answer for rest of question based on discussion with Dan.
5/21 - Replace XX with appropriate number once question 92 has been assigned a Web ID.
5/21 - Dan to answer #8.  Dave E. to answer #10

5/27 - Whitney Hoffman added answer #10 from Dave Elliott (received via email on 5/23).  NEED TO POST A SANITIZED COPY OF THE VDC redacted versions at FSA, you may contact Steve Slavsky at steve.slavsky@ed.gov or 202-377-3094.
CONTRACT TO THE CSB RESOURCE LIBRARY BEFORE THIS ANSWER IS POSTED.  DAVE ELLIOTT IS ON POINT TO PROVIDE THIS SANITIZED VERSION.
6/6 - Dan provided answer to #7 and updated the answer for #5.  #8 still being worked and VDC contract still needed from Dave Elliott for posting to the CSB Library.
6/12 - The contract is only available in hard copy.  This will be added to what can be viewed in person by the 3 vendors.

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 55 | Paul Mayer - SLMA | SLMA | In Progress | 5/1/2003 | 5/12/2003 |

**Assigned to**

Rich Galloway

**Web ID**

**Vendor Question**

Q. Describe the current CDDTS servicing requirements as well as a list of critical data elements captured by the system and standard reports generated for FSA.

**FSA Response**

A. Please refer to the following documents within the CSB Resource Library (http://www.1800iwillpay.com/cab/library.html) for information related to the CDDTS servicing processes, critical data elements captured by the system, and standard reports generated for FSA:

1.  "Servicing Processes" - summarizes the CDDTS servicing processes
2.  "FFEL Loans" - gives the process flow for a FFEL loan and is meant to further clarify CDDTS servicing processes
3. "System Critical Fields," "FFEL Assignment Critical Fields," and "Perkins Assignment Critical Fields" - list the critical data elements captured by CDDTS.  The assignment fields for Direct Loans to assign to CDDTS are already posted to the CSB Resource Library within "Servicing to CDDTS" under the Direct Loan Servicing section.
4. "CDDTS MMR" - is the monthly report for CDDTS

**Comments**

Comments in actual table of SLMA questions indicate that Denise Leifeste is on point to answer this question.

5/20 - Section 2 of the CDDTS SOO (Operational Requirements) may be sufficient to answer this question.

6/9 - Whitney Hoffman incorporated answer as provided by Jennifer Ryder.  THE FOLLOWING DOCUMENTS MUST BE POSTED TO THE CSB RESOURCE LIBRARY BEFORE THIS ANSWER MAY BE POSTED:

1.  "Servicing Processes"
2.  "FFEL Loans"
3. "System Critical Fields"
4. "FFEL Assignment Critical Fields"
5. "Perkins Assignment Critical Fields"
6. "CDDTS MMR"

6/10 - Whitney Hoffman sent the above documents to Rich Galloway and Randy Bowman for review and approval to post to the CSB Resource Library.  Rich Galloway is on point to give the go ahead for posting the documents to Eric.

6/12 - Whitney Hoffman changed the title of the document "Servicing Requirements" to "Servicing Processes."  Rich Galloway is still on point to post these documents to the CSB Resource Library.

**Assigned to**

Andy Cho

**Web ID**

**Vendor Question**

Q. Will the existing Data Marts be housed and maintained by the VDC, including providing helpdesk support?

**FSA Response**

A. Data Mart information is covered by questions 15 & 16 that are posted to the CSB Website.

**Comments**

Comments in actual table of SLMA questions indicate that Andy Cho is on point to answer this question.

5/23 - Rich closed this issue since it only references other questions.

**Assigned to**

**Web ID**

Brian Sullivan

## Vendor Question

Q.

1. Does CSB or VDC have a customized imaging repository system which does not use an imaging vendor for the base system?

2. For each imaging systems please provide the following information:

• System vendor name;

• Database in use (Oracle, Sybase, Microsoft, Informix, other);

• Specify data type and format to be converted (images, images, forms, annotations, graphics, CAD, Cold, ASCII text, other);

• Storage Media for Image Files (If Jukebox, provide manufacturer);

• Estimated number of images / pages to be converted;

3. Does CSB have microfilm? If yes, is it required to convert the microfilm into the image repository?

• Licensing  and Hardware cost;

• If FileNET were  one of the imaging vendors used by the current vendor, would the FileNET licenses be transferable to the new CSB vendor?

• Would imaging hardware (Jukeboxes Scanners, and servers) be transferred to the new CSB vendor?

• What is the total number of scanners operational in production in servicing centers?

4. Development cost:

a. Does the imaging system needs to retrieve, in a real-time mode, images from any image repository within VDC that are not converting into the single repository by the CSB contract?

b. If yes, please provide the name of the system and the imaging vendor.

c. Does the imaging system needs to pass image information (data and TIFF), in a real-time mode, to an imaging system within VDC for storage?

d. If yes, please provide the name of the system and the imaging vendor?

e. How many different external sources (i.e. Credit Bureau) will provide electronic image information to the CSB to be stored into the single image repository?

f. For each external source, please provide the approximate yearly volume of electronic image information.

g. How many different internal sources (i.e. Direct Lending Origination and Disbursement) will provide electronic image information to CSB to be stored into the single image repository?

h. For each internal source, please provide the approximate yearly volume of electronic image information.

i. Where do we get a copy of the US Government Paperwork Reduction Act as referenced in section 2.2.5 Document Management of SOO?

j. Where do we find the Document Management Strategy as mentioned in section 2.2.7.1 Paper of the SOO?

k. Does CSB require the imaging system to store inbound faxed documents into the central image repository?

l.  Does CSB require the imaging system to provide an image of document via outbound fax server?

m. Does CSB requires the new vendor to provide a copy of imaged document from central repository via internet to external entities (i.e. School, guarantors, borrowers, students and general public)?

## FSA Response

A.

1. Please refer to the answer for Question #1.

2. Please refer to the answer for Question #1.

3. Direct Loan Servicing does not currently use microfilm.  Any current vendor imaging hardware and licenses from Direct Loan Servicing would not

be transferable to the new CSB vendor.  Currently, Direct Loan Servicing has four scanners operational at its production centers.  Direct Loan Consolidation does not have a microfilm requirement.   All current vendor imaging hardware and licenses from Direct Loan Consolidation are owned by the vendor and would not be transferable to the new CSB vendor.
4. For DL Servicing:

**Comments**
Comments in actual table of SLMA questions indicate that certain people are on point for various parts of the questions.  The assignments are as follows:
Part 1 - Brian Sullivan/Randy Bowman
Part 2 - No one specifically assigned but comment states "In process of being answered."
Part 3 - Brian Sullivan/Cathy Power/Mike J. Murray/Denise Leifeste
Part 4 - Brian Sullivan/Cathy Power/Mike J. Murray/Denise Leifeste
Part 2 of this question is  very similar to question ID #8.  Answer to question ID #8 is included above for use as necessary.  As indicated in the comments section of question ID #8, as of 5/14/2003, Cathy Power is still on task to provide information for DLSS.

5/20 - Parts 3 & 4 need to be answered by Brian, Cathy, Mike, and Denise.  Parts 1 & 2 will refer to the answer to question #1 on the web site and Whintey will develop language.
5/22 - Servicing answers to part 3 received from Cathy Power.  Answers still needed for 4.j, 4.l, and 4.m.
5/27 - Whitney Hoffman added a response for 4.j and sent an email to Cathy Power requesting answers to questions 4.l and 4.m
5/28 - Dave updated response for L&M from Cathy
6/3 - Dave updated with LC responses from Bill Burns

a. No
b. N/A
c. No
d. N/A
e. None
f. N/A
g. One – Loan Consolidation ICR Waivers
h. N/A
i. http://www.gpo.gov
j. The Document Management Strategy referenced in section 2.2.7.1 Paper of the SOO is referring to the strategy that your proposal will include to accommodate the requirements included within section 2.2.5 Document Management.
k. Yes
l. No
m. No

For DL Consolidation:
a. The only requirement is to retrieve images in real-time mode.
b. N/A
c. Currently, the imagin system does not store images at the VDC.
d. N/A
e. Internal and external sources of documents to be imaged are not received electronically.
f. Internal and external sources of documents to be imaged are not received electronically.
g. Internal and external sources of documents to be imaged are not received electronically.
h. Internal and external sources of documents to be imaged are not received electronically.
i. 44 U.S.C. 3501
j. The Document Management Strategy referenced in section 2.2.7.1 Paper of the SOO is referring to the strategy that your proposal will include to accommodate the requirements included within section 2.2.5 Document Management.
k. Yes
l. All faxed documents that are part of a borrower's file are imaged.
m. Yes, but only to authorized users.

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 58 | Paul Mayer - SLMA | SLMA | In Progress | 5/1/2003 | 5/12/2003 |

**Assigned to**

**Web ID**

Cindy Battle, Brian Sullivan

**Vendor Question**

Q.

1. Will the CSB vendor get the existing web application code base?  If so, do we need to preserve the application code base?

2. Are the Guaranty Agency and Private Collection Agency sites almost exclusively content in nature?   What functionality is in these applications?

3. Do any of the web sites provide personalization or branding?

4. Are there any established partnerships that must be preserved?

5. Is a service provider being used for EBPP?

6. How often is new content published to each site?   Is there any documentation available on the content management process?   What products are being used to manage the content, if any?  Are there any documented SLA's for publishing new content?

7. How often are the sites updated with new functionality, or bug fixes?

8. Do you have a defect tracking mechanism?   If so, how many defects were reported in the last 3 months?

9. How are E-mails being sent to borrowers?

10. What type of information is needed for auditing purposes?

11. Are there any reporting requirements?

12. Is management of the portals part of this request?

• http://www.studentaid.ed.gov

• http://sfa4schools.sfa.ed.gov

• https://www.fp.ed.gov

13. How old are the web applications?

14. Is all the functionality that is documented in the SOO already developed?  Or will we need to do any new development? What changes have occurred to the site since the creation of the SOO?

15. Besides the backend mainframe, is data stored on any other databases?  If so, what type of database?

16. Where are user ID's/passwords maintained for the School and Admin sites?

17. What URL's will we use for these sites?   Are they different than the existing URL's?

Testing/Test Sites

18. Are there any specific requirements related to test sites, external customer testing?

19. Is there a test version of the site, which we can review? (or second choice, can we get a test sign-on ID/password to logins for each site that require one?)

Documentation

20. Is there any site documentation available (# of pages, # of applications, content vs. application)

21. Is there any up-to-date design documentation -  use cases, design analysis documents, object models, database models, interfaces?

Volumetrics

22. What are the volume growth expectations/targets?

23. Are there any volumetrics\statistics for the web applications?

Knowledge Transfer
24. How many business areas are responsible for the sites?
25. What type of knowledge transfer will be provided by FSA/current vendor - Are business analysts, architects, or the original developers available to help? answer questions?
26. Are these sites maintained in-house or by a third party service provider?  If so, who?
27. How many borrowers are being serviced?
28. How many borrowers are actively using the DLSS  Borrower web application?
29. What technology are the sites developed (i.e., VB, Java)?
30. What is the size of each web application -  i.e., approximate lines of code, JavaScript;  number of ASP's,  JSP's?
31. What type of application servers are being used (Hardware and Software)?
32. What type of web servers are being used (Hardware and Software)?
33. How many servers are being used to support the existing volume?
34. What network requirements are necessary to support this hardware?
35. Is there any documentation for the EAI?  Do we need to continue to use EAI or can we replace with our existing infrastructure/middleware? Does EAI house business logic?

Location of Hardware
36. Where will the servers be located/managed?

Changes
37. How are defects managed and resolved?
38. How are enhancements prioritized and delivered?
39. How are requirements and designs received, documented and approved?

## FSA Response
A. Loan Consolidation:
1. The DLCS web site will be preserved and the code will be available.
2. N/A
3. N/A
4. The answer is yes if established partnerships is defined as working relationships with entities, within the Department and those outside the Department, that are essential to consolidating loans.  Examples would be the Private Collection Agencies under contract to Debt Collection Service and authorized to submit consolidation loan applications to DLCS, Financial Management Service (FMS) as the FSA organization that processes payments to loan holders.
5. N/A
6. N/A
7. N/A
8. Defect tracking in DLCS is referred to as XE's. The volume averages between 400 – 500 a month.
9. Borrowers are not sent emails.
10. Detailed data on production types and volumes, customer service activities, loan payoffs, task orders.
11. You will need to inform CSB management of your activity.
12. No.  The CSB Website will integrate with the FSA portals, as needed.
13. http://www.loanconsolidation.ed.gov is kept current.
14. All functionality listed in the SOO under the current state is already developed.  However, this was not meant to be a full and exhaustive list.

15. Backup data for disaster recovery.
16. Maintained in a secure area of the system.

17. Same as existing URL's.
18. The only specific requirements are to comply with NIST, FISMA (formerly GISRA), and Departmental security regulations.
19. Test site is maintained by current vendor and not available for review
20. No documentation available.
21. No design analysis, object models, etc. exist.
22. No consolidation volume targets or expectations exist
23. Most recent annual average application method:
- Paper                412K;
- Web/Not E-Signed      930K;
- Web/E-Signed          218K.
24. DLCS has only one business area.
25. Current vendor for DLCS is not available to answer questions.
26. Web site is maintained by the VDC.
27. DLCS transfers borrowers to DLSS for servicing after loan are consolidated
28. N/A
29. The DLCS website is a proprietary piece of Powerbuilder Application software developed by current vendor for the Department of Education.
(See * below for source of proprietary information).
30. The DLCS website is a proprietary piece of Powerbuilder Application software developed by current vendor for the Department of Education.
(See * below for source of proprietary information).
31. The Web Server runs on HP L Class Servers under the HP UX B.11.00 Operating System with 4 processors and 8 Gigabyte of RAM.
32. One server.
33. One server.
34. T-1.
35. DLCS is not on the EAI.

36. The Application/Web Servers and the Database Server reside in the Virtual Data Center (VDC) administered by Computer Science Corporation (CSC) in Meriden, CT.
37. Defects (XE's) are identified by DLCS and DLSS, and resolved by mutual discovery that created the XE's and taking action that is required by either DLCS or DLSS.
38. DLCS staff determines priority and services are delivered when contracting officer issues task order.
39. ???????
* The source for the proprietary statement is contained in the GSS/MA Inventory
"The LC Subsystem Powerbuilder Application is a proprietary piece of software developed by EDS for the Department of Education and the LC website."

**Comments**

Comments in actual table of SLMA questions indicate that Cindy Battle/Brian Sullivan/Denise Leifeste are on point to answer these questions.
5/20 - Cindy, Brian, and Denise to provide answers for their respective systems.
6/4 - Answers input from LC.  # 39 still unanswered and some answers should be reviewed.

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 59 | Paul Mayer - SLMA | SLMA | Posted | 5/1/2003 | 5/12/2003 |

**Assigned to**

Brian Sullivan/Dave Elliott

**Web ID**

**Vendor Question**

Q. Please provide the following documents:   (1) FSA Security and Privacy Policy and (2) FSA System Security Process Guide.

**FSA Response**

A. These documents may be found in the CSB Resource Library (http://www.1800iwillpay.com/Csb/library.html) under the Current FMS Security Requirements and the Enterprise Technology headings respectively.

**Comments**

5/19 - Whitney Hoffman incorporated final version of answer included in email from Rich Galloway
5/19 - Posted to CSB Website

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 60 | Paul Mayer - SLMA | SLMA | Posted | 5/1/2003 | 5/12/2003 |

**Assigned to**

Dave Elliott

**Web ID**

## Vendor Question

Q. Please address the following Information Security questions relative to the Virtual Data Center ("VDC"):

1. Will CSB vendor applications run on a separate mainframe or in its own LPAR on an existing machine?

2. What is the mainframe security package to be used and who will be responsible for managing this security package?

3. Assuming all the necessary network servers (e.g., Unix, Netware/NDS, WinNT/AD) will be housed, managed and supported in the VDC, who will be responsible for the security administration of these devices?

4. Who would manage and administer remote access services (e.g., Ace server, issuing tokens, etc.) for any remote user approved to access the network?

5. Does the VDC provide outsourced security administration services (user ID administration, password resets, access administration) or will this be the

## FSA Response

A.

1. We would have to know the recommended approach that is offered. We do try to share common resources as much as possible and where feasible in order to minimize costs.

2. This is listed in the documents posted on the website, www.1800iwillpay.com/csb/library. The VDC maintains the environment based upon the security requirements and IAW the security plan.

3. The Program Manager is responsible for all aspects of security. This is normally delegated to the System Security Officer (SSO) to carry out on a daily basis. The VDC implements the system level requirements. Application level security may have multiple methods of implementation.

4. Remote access into the VDC for authorized users is IAW the respective system security plan. When clearances are forwarded to the VDC, the appropriate remote access method will be enabled and the end user will be notified of their login and password. A VPN connection is our preferred remote access method at this time.

5. Currently the VDC does not outsource this, to our knowledge. Each system is responsible for it's own security plan and the VDC enables access and access levels based upon that plan. Application level security may or may not be handled by the VDC.

The application Program Manager is responsible for the security of their respective programs. The security is managed according to the level of risk associated with each area for the program and under pertinent Federal, Departmental, FSA rules and regulations as well as best practices and recent advisories. Refer to NIST 800-18 Security Plan (http://csrc.nist.gov/publications/nistpubs/800-18/Planguide.PDF), and the National Information Assurance Certification and Accreditation Process (NIACAP) and the other documents posted in the CSB Resource Library (http://www.1800iwillpay.com/csb.library.html).

## Comments

Comments in actual table of SLMA questions indicate that Dave Elliott is on point to answer these questions.

5/27 - Whitney Hoffman added answer from Dave Elliott (received via email on 5/23)

5/29 - Posted to CSB website

responsibility of the CSB vendor?

**Assigned to**

**Web ID**

Dan Hayward

## Vendor Question

Q. Describe the responsibilities of the VDC.  Where do they begin and end?  For example, certifying security, performance management of applications, development environment, as well as the production environment.

## FSA Response

A. The VDC begins at the end of the data circuit for all processing aspects.  They handle all of the processing, all of the DASD farms, the resources for the computing environment.  In some cases, they handle printing through a subcontractor arrangement, but in most cases they don't handle printing.  That's done at the contractor's locations or elsewhere at their fulfillment houses.  So there's a mixture of things that are done in the VDC.  Performance management -- security was first.  They certified security, and the answer is yes for all of the hardware and associated components that reside in the VDC.  The CSB contractor would still be responsible for anything in their facilities, for their facility security and so forth.

So those aspects that reside in the VDC would be certified by the VDC for security purposes.  There are service level agreements that are maintained between the VDC and the department, and I have to admit I'm getting a little over my head on VDC.  That's, again, not my area.  But the performance standards for the processing are maintained by service level agreements.

## Comments

This was a question received via note card at the Pre-Proposal Conference.  The response to this question is contained within the transcript from the conference and can be found on the CSB web site (www.1800iwillpay.com/csb).

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 62 | Not Provided | | Transcript | 5/2/2003 | 5/12/2003 |

**Assigned to**

David Elliott

**Web ID**

**Vendor Question**

Q. Will the VDC conform to CSBs, vendors, software set and performance requirements?

**FSA Response**

A. That kind of gets back to the publishing on the network that we put out there.  There are some documents that are out there that are technology standards that are currently in place today, and there's also another item called the TIBs, a blueprint.  They've been around for a while.

Those are currently our current set of standards, if you will, but again, just like any other document, when we publish it, it's already outdated.  So, you know, with a lot of the standards it's something that we try to say this is what we are trying to standardize on, and what we're trying to do with all of that is, here are like a common set of tools to work with, environment to work in, and kind of to help control our costs.  You know, there's a lot of that that is return on investment that we don't have, you know, a whole bunch of the same things that does something else, and we have to have the ability to license to all of these people, these vendors or part of the products.

So that's how we really are concerned, is to come up with a common set of operating systems, common tools, and also an infrastructure so that we don't have to pay all of these other vendors like that for all the things, and those documents kind of guide you into that.  They don't specifically say those things like you've heard, the EIA infrastructure, you know, for our messaging environment, EIA with the MQ series.  Those are the kinds of products we're trying to standardize and make up differences for all of these systems that we have over the years.  So you know, we're trying to make some common ground there.  But, you know, we're willing to work and see what new technology we've got here is.  Again, technology changes quite frequently.

**Comments**

This was a question received via note card at the Pre-Proposal Conference.  The response to this question is contained within the transcript from the conference and can be found on the CSB web site (www.1800iwillpay.com/csb).

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**

63 Not Provided Transcript 5/2/2003 5/12/2003

**Assigned to** **Web ID**

David Elliott/ Dan Hayward

**Vendor Question**

Q. Will the development environment reside at the VDC?

**FSA Response**

A. When we first took up the VDC we wanted to have in there a development and test environment. You know, the question didn't address test environment. Test environment is just as critical as the development or the production environment.

So far I think all of our systems have some degree of a development and test environment in the VDC. Not all of them a 100 percent, but most of them do. And desirability? If you look at CMM level performance, CMM Level 2, 3, something like that, they specify -- and also good quality software engineering practice are trying to say -- these are the sorts of things you should have. We have a lot of tasks in there to be carried out. We have on the existing system, the legacy systems, and ones that are newer. A lot of those do have their own environments to do the development and testing.

(DAN) Are there any follow-up questions to that?

I'm not sure we really answered the question -- will the VDC conform to the CSB's vendors software standard performance requirements. If the question is that you have a unique environment, unique hardware or something, will we support that unique hardware, is that the question?

If it is, the answer, I believe, is yes. If we're being offered a turnkey solution, then we would support that environment. As Dave said, we have standards that we would like people to comply with, and we'll encourage them to move to one of the standard environments, but that wouldn't be a

**Comments**

This was a question received via note card at the Pre-Proposal Conference. The response to this question is contained within the transcript from the conference and can be found on the CSB web site (www.1800iwillpay.com/csb).

**Vendor Question**

Q. Will the CSB require the six Websites identified in the SOO to be 100 percent managed and maintained by the vendor?

**FSA Response**

A. The Direct Loan Servicing Website, the Consolidation Website, and the  Collection Website are all owned by the Department, for the most part, and are offered as assets to a potential bidder -- well, to the successful bidder, and if you want to use them in the solution, that would be acceptable to us.  If you have a better solution, we would be quite happy to look at that one.  So it's up to you to propose an acceptable solution that provides us the functionality that we need.

If the vendor does take it over, they do need to maintain it.  So to answer that part of the question, if you have your own Website and you propose that, then obviously you would maintain that.

And the other sites, I'm not sure what you're referring to.  The delinquent loan data mart is not really a Website.  It is a product that uses E-docs to push documents out, and again, it's an issue of functionality rather than system.  We would need a proposal on how to do that.

**Comments**

This was a question received via note card at the Pre-Proposal Conference.  The response to this question is contained within the transcript from the conference and can be found on the CSB web site (www.1800iwillpay.com/csb).

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**

65 Not Provided Transcript 5/2/2003 5/12/2003

**Assigned to** **Web ID**

Rich Galloway

**Vendor Question**

Q. Is ED considering teaming beyond small business?

**FSA Response**

A. And the answer to that is: of course. However, small business participation will be a specific evaluation consideration in source selection. I'm not looking for teaming per se to be a source selection factor, but it certainly will be something that is looked at, probably under many evaluation factors. We expect you to come up with a solution that will work. We understand that to provide the best solution, many and perhaps all of you will need to come up with effective partners in that. So, of course, we are going to be looking at your team members as well as the prime contractor. And how well you manage the team, too, I would think.

**Comments**

This was a question received via note card at the Pre-Proposal Conference. The response to this question is contained within the transcript from the conference and can be found on the CSB web site (www.1800iwillpay.com/csb).

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**

66 Not Provided Transcript 5/2/2003 5/12/2003

**Assigned to**

**Web ID**

Rich Galloway

**Vendor Question**

Q. How is ED doing on small business goals for primes and for subcontractors' contracts?

**FSA Response**

A. I don't know, specifically. I can tell you in a simple word: horribly. We are getting tremendous pressure, and we're not the only ones. Education is among the agencies that are getting tremendous pressure for not meeting their goals.

**Comments**

This was a question received via note card at the Pre-Proposal Conference. The response to this question is contained within the transcript from the conference and can be found on the CSB web site (www.1800iwillpay.com/csb).

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**
67 Not Provided Transcript 5/2/2003 5/12/2003

**Assigned to**

**Web ID**

Rich Galloway

**Vendor Question**

Q. Are primes required to identify small businesses in Phase 1?

**FSA Response**

A. In the Phase 1 solicitation, we ask you to identify team members that you are using for your past performance, references, or are using to fill out the experience chart.  I think that's the only place that we would be asking for identification of team members.

**Comments**

This was a question received via note card at the Pre-Proposal Conference.  The response to this question is contained within the transcript from the conference and can be found on the CSB web site (www.1800iwillpay.com/csb).

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 68 | Not Provided | | Transcript | 5/2/2003 | 5/12/2003 |

**Assigned to**

D.Hayward/G.Hopkins/D.Leifeste

**Web ID**

**Vendor Question**

Q. What volume of FFEL loans are serviced on DLSS today?

**FSA Response**

A. There are no FFEL loans on the Direct Loan Servicing System.  There are consolidated loans that have underlying FFEL loans in them that we service, but they are Direct Loans once they're consolidated.

I'm wondering if this question may relate to the statement I made that this solution has to be able to service FFEL loans that are not in default.  Currently, as part of the CDDTS system, we do have some loans that have already been reinstated that were not in default but are being serviced.  It's a very small number because, again, this is a very small cohort so far, and it's in start-up.

There are also, you know, some other opportunities that we may be looking at, depending on some policy decisions that are made.  There was new regulation that was passed or that was finalized last fall that made some provisions for co-maker types of loans and endorsers where, if there was a disability, they would have -- we would allow those borrowers that had like the co-made loan, like either Co-make Plus or a joint consolidation loan, to discharge their portion of the loan.

And one of the challenges that we're still working through as a policy aspect is that one of the ways to deal with that may be to send over the entire loan, take that portion of it that is dischargeable and put it in the CDDTS monitoring system and send the other portion over to be serviced.

So how big that cohort will be over time is unknown, but you do need to be prepared to do that in some way.  A key part of the CSB solution is, we want the capability to be able to service any type of Title IV debt.  While we don't have a lot of failed debt that's to go to service, we do have a large portfolio of Perkins loans that are currently in the debt collection system, but they're not in default.  We do not have the capability to service them as we need to.

I think there are more than 60,000 of them.  Sixty thousand that either came to us because schools got out of the Perkins program or Perkins loans that are eligible for loan rehabilitation.  They make the qualifying payments.  We consider them to be rehabilitated, but they stay on our system because, as I said earlier, we have nowhere to send them.

So we need the capability to service any type of Title IV debt.  We don't know how long it will be before we start to get those.  We know we have quite a number of those right now that need to be serviced.

**Comments**

This was a question received via note card at the Pre-Proposal Conference.  The response to this question is contained within the transcript from the conference and can be found on the CSB web site (www.1800iwillpay.com/csb).

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**
69 Not Provided Transcript 5/2/2003 5/12/2003

**Assigned to**

**Web ID**

Dan Hayward

**Vendor Question**

Q. Do you anticipate IV&V services as part of this effort or another?

**FSA Response**

A. We do plan on having an IV&V, and it will be a separate contract. So there will be IV&V support.

**Comments**

This was a question received via note card at the Pre-Proposal Conference. The response to this question is contained within the transcript from the conference and can be found on the CSB web site (www.1800iwillpay.com/csb).

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**

70 Not Provided Transcript 5/2/2003 5/12/2003

**Assigned to** **Web ID**

David Elliott

## Vendor Question

Q. Please discuss more about your existing enterprise architecture as recommended by FSA -- oh, no, and is it close to the one recommended by the Federal Enterprise Architecture Program Management Office?

## FSA Response

A. Our enterprise architecture right now is kind of an evolving process.  We've gone through several areas, and we're working with several architecture committees on making our enterprise architecture something that will be enduring architecture.

The current architecture (tools) that we have we have done in several iterations.  The enterprise architecture tools that we have, we've come up with new tools that we're employing across the department just met the same product to be used in this talk.

They're, you know, just like anything else.  Once you get it in there, you've got a delay already.  So we're pretty involved in that product and at some point in time when we get fully aligned with the departmental enterprise architecture, we'll be able to feed into the federal enterprise architecture with our data, and those interface links have yet to be defined for us.  But we do plan on doing that, probably hopefully some time later on in the fall, maybe early winter, be able to feed in with the federal enterprise architecture process.

## Comments

This was a question received via note card at the Pre-Proposal Conference.  The response to this question is contained within the transcript from the conference and can be found on the CSB web site (www.1800iwillpay.com/csb).

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**
71 Not Provided Transcript 5/2/2003 5/12/2003

**Assigned to**

**Web ID**

David Elliott

**Vendor Question**

Q. Does VDC use system-wide monitoring and tracking systems?  If so, explain.

**FSA Response**

A. Yes, they do.  I don't know how much of this I can tell you right now that is proprietary or not.  There is a monitoring system that they use as employees and monitors uptime for all of the processes that go on in the systems, and it's a 24-7 operation.  They have what they call a global presence there and manage all of that stuff.

I can't tell you all of the nuts and bolts about all of that, because I don't know how much of it is proprietary and how much is unique to them, but they have a lot of the industry standard tools.  I can tell you that, and it's out there today to be used.

**Comments**

This was a question received via note card at the Pre-Proposal Conference.  The response to this question is contained within the transcript from the conference and can be found on the CSB web site (www.1800iwillpay.com/csb).

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | | **Date Received** | **Due Date** |
|---|---|---|---|---|---|---|
| 72 | Not Provided | | Transcript | | 5/2/2003 | 5/12/2003 |

**Assigned to**

David Elliott

**Web ID**

**Vendor Question**

Q. Will a better solution be required to conform to existing security solutions for users?

**FSA Response**

A. In doing security for a system, there are a lot of answers involved in this, publications that are coming out and that are out, and of course, that you may want to take a look at. Those dictate what you should do as far as being, you know, positive of what your security risks are for your system.

A lot of that is guidance. We kind of take a little bit different approach to the rote bureaucratic, governmental way of doing this. We try to be more of a risk-identification, risk-adverse than "thou shalt" that is typically found in the government, because every time you do something that everybody believes to be a "thou shalt," you can, you know, put everything under lock and key nobody can get to it, and it's going to cost you a bunch of money to do so.

That doesn't always serve the purpose of the business. So you kind of have to balance those out. What are the needs of the business? What are the risks associated with doing it a certain way? So, when you do systems, when you build them, just encourage it to build security throughout and basically follow the existing guidance that is out there. We don't have a whole lot of things that are unique. We basically follow the existing guidance that's out in the federal regulations that I already mentioned.

**Comments**

This was a question received via note card at the Pre-Proposal Conference. The response to this question is contained within the transcript from the conference and can be found on the CSB web site (www.1800iwillpay.com/csb).

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**
73 Not Provided Transcript 5/2/2003 5/12/2003

**Assigned to**

**Web ID**

Rich Galloway

**Vendor Question**

Q. Is the current prime contractor performing to your satisfaction?

**FSA Response**

A. First off, there is more than one prime contractor.  Secondly, performance evaluations of the existing contractors are considered source selection information, because they are used in subsequent source selections.  So that is not releasable.

**Comments**

This was a question received via note card at the Pre-Proposal Conference.  The response to this question is contained within the transcript from the conference and can be found on the CSB web site (www.1800iwillpay.com/csb).

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 74 | Not Provided | | Transcript | 5/2/2003 | 5/12/2003 |

**Assigned to**

**Web ID**

Rich Galloway

## Vendor Question

Q. Please comment on the satisfaction with the current contracts.  What is working well?  What issues do you have with the current performance or relationships?

## FSA Response

A. One of the things we think is integrating these into a single system has the opportunities for cost savings.  We think that the existing systems have cost redundancies that FSA -- not individually, collectively -- where Department of Education can make some savings.

We've also talked about the -- they're looking -- that there's newer technology, newer ideas out that haven't been tested by competition lately.  So we think, you know, it's an opportunity for new ideas here, not necessarily that a contractor's system is bad, but it has been around for a while.  So we want to look at other possibilities.

We also mentioned that we're looking for systems that are flexible and can be -- where changes could be made without huge costs.  As I said, we know that there's going to be regular maintenance required on systems, minor changes, and there may even be some fairly substantial changes due to legislative changes.  We've got to roll with those punches, and we can't afford a system that is too rigid and will have high costs.

That doesn't necessarily mean our existing systems are rigid systems, but you can see that there's an evolution that has to happen.  That's probably about as much as I want to say in that area.

## Comments

This was a question received via note card at the Pre-Proposal Conference.  The response to this question is contained within the transcript from the conference and can be found on the CSB web site (www.1800iwillpay.com/csb).

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**

75 Not Provided Transcript 5/2/2003 5/12/2003

**Assigned to**

**Web ID**

Mike J. Murray/Rich Galloway

**Vendor Question**

Q. Should the cost proposal include FtS2001 network voice and data costs?

**FSA Response**

A. The FTS2001 is already an economy-of-scale solution.  So you know, if you can propose something that would give the government a better deal, we would entertain that solution.  But right now the current solution is that it adds lines and the telecommunication lines are under FTS2001.  The FTS2001 costs are paid by the government.  If there is a solution where you're proposing in your solution to pay for those costs that would be

**Comments**

This was a question received via note card at the Pre-Proposal Conference.  The response to this question is contained within the transcript from the conference and can be found on the CSB web site (www.1800iwillpay.com/csb).

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 76 | Not Provided | | Transcript | 5/2/2003 | 5/12/2003 |

**Assigned to**

Pat Bradfield

**Web ID**

**Vendor Question**

Q. Will a technology- solution-only in response to Phase 1 be considered independently of the out-sourcing requirements?

**FSA Response**

A. No

**Comments**

This was a question received via note card at the Pre-Proposal Conference. The response to this question is contained within the transcript from the conference and can be found on the CSB web site (www.1800iwillpay.com/csb).

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**

77 Not Provided Transcript 5/2/2003 5/12/2003

**Assigned to**

**Web ID**

Pat Bradfield

**Vendor Question**

Q. Will the technology solution by itself be down selected, which I interpret to mean, could you make it to Phase 2?

**FSA Response**

A. No

**Comments**

This was a question received via note card at the Pre-Proposal Conference.  The response to this question is contained within the transcript from the conference and can be found on the CSB web site (www.1800iwillpay.com/csb).

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**
78 Not Provided Transcript 5/2/2003 5/12/2003

**Assigned to**

**Web ID**

Pat Bradfield

**Vendor Question**

Q. What level of interest is there in separating the technology solution from the out-sourcing requirements earlier?  And will the department award two contracts for this?

**FSA Response**

A. No

**Comments**

This was a question received via note card at the Pre-Proposal Conference.  The response to this question is contained within the transcript from the conference and can be found on the CSB web site (www.1800iwillpay.com/csb).

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**
79 Not Provided Transcript 5/2/2003 5/12/2003

**Assigned to**
Dan Hayward

**Web ID**

**Vendor Question**
Q. The next question says Appendix H shows 19,621,000 calls between January 2002 and December 2002, 7,280,000 inbound, 12,341,000 outbound.  What are these outbound calls used for?

**FSA Response**
A. We do collection work on delinquent accounts.  Once an account becomes 31 days or more delinquent, we begin phone calls, and those are outbound.  A lot of them are made via an autodialer, a predictive autodialer, and a lot of them are manually made, but most of them are autodialer.  So those are collection calls trying to get hold of borrowers who have become delinquent, to cure that delinquency and bring them back

**Comments**
This was a question received via note card at the Pre-Proposal Conference.  The response to this question is contained within the transcript from the conference and can be found on the CSB web site (www.1800iwillpay.com/csb).

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 80 | Not Provided | | Transcript | 5/2/2003 | 5/12/2003 |

**Assigned to**

**Web ID**

Rich Galloway

**Vendor Question**

Q. If teaming is seen as potentially beneficial, would ED consider a one-week extension to allow partners to put together a team effort that's in place?

**FSA Response**

A. We're not asking to see the whole teaming agreement in Phase 1.  So that would not be a reason to -- I would see as a need to extend the Phase 1 submission time.

**Comments**

This was a question received via note card at the Pre-Proposal Conference.  The response to this question is contained within the transcript from the conference and can be found on the CSB web site (www.1800iwillpay.com/csb).

81 Not Provided Transcript 5/2/2003 5/12/2003

**Assigned to** **Web ID**
Dan Hayward

**Vendor Question**

Q. How do we plan on doing bankruptcy processing?

**FSA Response**

A. We use contractor support to service the bankruptcy efforts for debt collection, and the question has to do with Direct Loans.  We see CSB as a combined solution for both entities, and we would anticipate a proposal that addresses all of the functionality of bankruptcy.  So we ask you to give us a proposal for that service, and rather than us telling you how we want it done, we want your best thinking on what the solution would be.

**Comments**

This was a question received via note card at the Pre-Proposal Conference.  The response to this question is contained within the transcript from the conference and can be found on the CSB web site (www.1800iwillpay.com/csb).

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**
82 Not Provided Transcript 5/2/2003 5/12/2003

**Assigned to**

**Web ID**

Rich Galloway/Pat Bradfield

**Vendor Question**

Q. What is the small business size definition?  Will a company of less than 500 businesses be considered a small business?

**FSA Response**

A. Small business size standards differ from industry to industry, but you can find that information either at SBA or in FAR Part 19.  I know the common threshold is where there's annual revenue of three million and another common threshold is 50 employees, but it does get higher in some areas, concerning certain types of industry, particularly information technology, as I recall.

While it's true the thresholds are now in the range of $3 million and/or 50 employees, for the NAICS codes, the industries that would probably be identified in the solicitation and ultimately, I assume, prime with subcontracts, the range is more like 1,000 employees and upwards to $20 million in annual revenue calculated as an average of the past three completed corporate fiscal years.

So a company that had no revenue last year and $30 million revenue this year would still be a small business under that NAICS code.  So you have to look, as Rich suggested, very closely either in SBA's Website or Part 19 of the FAR to ascertain that, but I didn't want anybody to have the impression that they must go find a business with 50 or fewer employees to be able to have a valid small business.

**Comments**

This was a question received via note card at the Pre-Proposal Conference.  The response to this question is contained within the transcript from the conference and can be found on the CSB web site (www.1800iwillpay.com/csb).

**Assigned to**

Rich Galloway

**Web ID**

**Vendor Question**

Q. Will the ED consider posting the SOW of the current PIC contract for our reference?

**FSA Response**

A. The answer is that, yes, we will consider it.  I think on that particular one I may have it in electronic format.  My challenge on all those contracts is, they tend not to be available in electronic format.  So I've either got to get them scanned somehow or make them available in paper, which is a

**Comments**

This was a question received via note card at the Pre-Proposal Conference.  The response to this question is contained within the transcript from the conference and can be found on the CSB web site (www.1800iwillpay.com/csb).

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 84 | Not Provided | | Transcript | 5/2/2003 | 5/12/2003 |

**Assigned to**

Gary Hopkins

**Web ID**

**Vendor Question**

Q. Will ED consider publishing the PIC performance requirements and incentive payment structure currently used, and any other vendors currently being measured in the work?

**FSA Response**

A. We'll consider posting the existing contracts or making them available, but I have to be sensitive to proprietary information. I can't answer with one question -- one contract's information is proprietary or not. I do know that sometimes pricing strategy information is considered proprietary. It's something we're willing to take a look at.

**Comments**

This was a question received via note card at the Pre-Proposal Conference. The response to this question is contained within the transcript from the conference and can be found on the CSB web site (www.1800iwillpay.com/csb).

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**
85 Not Provided Transcript 5/2/2003 5/12/2003

**Assigned to** **Web ID**
See Comment Below

**Vendor Question**

Q. Please discuss existing technologies which are in place, technologies (capabilities), i.e., front end, CRM, IVR, CTI, and back-end financial components which Education thinks can be leveraged further, and that the Department would like to see in this solution set.

**FSA Response**

A. We want you to propose your solution.  I'll say that we have been working on an ECRM front-end based on Siebel.  It is available to a bidder as a department-owned asset if they wanted to use that as a jumping-off point.  We do want solutions that leverage technology to improve our customer service and lower our costs, so that that would be a potential candidate.

We do use IVRs at virtually all of our cost centers.  We are hoping to consolidate cost centers down to one or two or, again, some smaller number than what we have today, and the way to do that is with IVRs and CTI, computer-telephony interfaces.  So we don't want to dictate what you use, but  we want to dictate improvements in customer service and ways to manage our costs more effectively.  Our financial system for FMS is based on Oracle Financials.  That's your interface partner.  What you would use on your system would be up to you to do the, in effect; transaction registers that you would manage.  So I may have used an incorrect accounting term, but you keep the details on your system, and how you do that is up to

**Comments**

This was a question received via note card at the Pre-Proposal Conference.  The response to this question is contained within the transcript from the conference and can be found on the CSB web site (www.1800iwillpay.com/csb).

This question was answered by Dan Hayward/Gary Hopkins/Denise Leifeste/and David Elliott

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 86 | Not Provided | | Transcript | 5/2/2003 | 5/12/2003 |

**Assigned to**

**Web ID**

Dan Hayward, Gary Hopkins, Denise Leifeste

### Vendor Question
Q. How is the Web face integrated with the back-end database?

### FSA Response
A. The current -- well, I'll speak to the Direct Loan site -- uses active server pages, and I have to admit you get over my head when you talk about the actual interface to the back end, but it does reach into the back end for most of its data. The current site also goes out to NSLDS and gets data, using XML calls in that case. So we'll give you a better answer on the Website, once we develop it.

We do have a couple of Websites for the borrowers and the general public. It's mostly information. You can download a few documents. The Website is in support of our private collection agencies and the guaranty agencies that share information that they need. We think it's vital to them. But in the existing environment, we're not tied to the borrower accounts at all.

In consolidation it's kind of some is and some isn't. We can pull certain kinds of information in order to give loan status. However, we can't go out, for example, and pull from NSLDS underlying loan information or Direct Loans for underlying loan information. So some pieces of it do pull from existing databases. Some don't. I think, again, to just reinforce for everybody, we're looking for an elegant solution to this that's going to be more borrower- friendly and more trading-partner friendly. So we would, I'm certain, welcome solutions that would help us to create that kind of solution, not be so dependent on necessarily what our old solutions are, although, of course, we would want if possible to capitalize on existing things that we already have.

Literally, the answers are about the Direct Loan site. They have full access to the back end as far as viewing their data. They have update capabilities to a lot of data, including the demographics and certain repayment options, such as pay plans and so forth.

### Comments
This was a question received via note card at the Pre-Proposal Conference. The response to this question is contained within the transcript from the conference and can be found on the CSB web site (www.1800iwillpay.com/csb).

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**
87 Not Provided Transcript 5/2/2003 5/12/2003

**Assigned to**

**Web ID**

Pat Bradfield

**Vendor Question**

Q. Is it customary that the interaction payment processing data volume or volume data limit the vendor to student loans?  In other words, will ED consider other experience? If so, should the data be aggregated in the vendor's submission?

**FSA Response**

A. ED will consider other experience.  We're not just limiting this to vendors who have experience only with student loans.  We believe it's fairly clear in the attachment how that should be represented, but we will take another look at it and follow this up, this question, on the Web.

**Comments**

This was a question received via note card at the Pre-Proposal Conference.  The response to this question is contained within the transcript from the conference and can be found on the CSB web site (www.1800iwillpay.com/csb).

5/19 - Pat has determined that the SOO provides enough information on this topic and no additional information is required.

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**
88 Not Provided Transcript 5/2/2003 5/12/2003

**Assigned to**

**Web ID**

Sybil Phillips

**Vendor Question**

Q. What is the interest of FSA in using automated tools in more accurately determining risk within the fund portfolio?

**FSA Response**

A. Obviously we were interested in that. In looking at predictability models which I assume that we're talking about, this is one of the things that I'm going to be looking at very, very closely.

**Comments**

This was a question received via note card at the Pre-Proposal Conference. The response to this question is contained within the transcript from the conference and can be found on the CSB web site (www.1800iwillpay.com/csb).

| Question ID | Vendor Contact | Vendor | Status | Date Received | Due Date |
|---|---|---|---|---|---|
| 89 | Not Provided | | Transcript | 5/2/2003 | 5/12/2003 |

**Assigned to**

**Web ID**

Gary Hopkins, Brian Sullivan, Dan Hayward

**Vendor Question**

Q. How much historical data would be required to be loaded for borrower servicing, for inactive servicing? Prior documents for inactive servicing, validation, collection accounts?

**FSA Response**

A. This is kind of three-pronged. As far as data to be loaded, it's -- you know, we're talking about all of the borrower identifying information and what you expect, name, Social Security number, the type of debt, how much is owed, what's accrued, simple interest cost, that sort of thing. All of the information that we will have added while we were working payment history.

With respect to prior imaged documents, I guess you're talking about the archiving that I mentioned earlier, the inactive servicing, consolidation or collection accounts, it should say. The transition or the data conversion part of this is going to be huge, we realize, but it's pretty much

We always have to deal with our Office of General Counsel and how long we're required to keep data on our database after it has been resolved either through discharge or payment in full. I know Dan has to deal with that, and so do we. We can find out what that information is and provide that to you. But if that's what you're referring to, I can't answer specifically what our record retention requirements are in terms of length of time. In terms of the data that we have to keep, it's whatever data we gathered, you know, while we had the debt. That's pretty much it.

There was a document that talked about the Department of Education retention policy. I read through it, and I advised Rich to take it off of the Internet. The reason I did that was because each POC in the Department of Education has a different retention policy, and based on that, I thought it would be very confusing.

We have drafted a retention policy for our data and our information, but we have our attorneys to deal with who say that, no, we're not going to let you get rid of that. So we're going to have to be very flexible, you know, with the retention of data and information.

We will need 100 percent of our data converted in some manner to be able to recreate balances and to appropriately set up the account to accrue interest and arrive at the correct balance. So for our system it's a pretty extensive amount of data. Again, there's millions and millions of records.

Most of our promissory notes are in electronic format. Most of them are held at the origination site or consolidation site. Some are held at the Direct Loan Servicing Center from year one when we did origination up there. We're going to have to deal with the archival storage of all of these promissory notes. We talked various solutions, but we would like your thoughts on it. Some of it you have to access to service loans, whether they are default or in repayment. So that's a function.

As far as the images, you'll have to transfer 100 percent of the images. They're all on optical platters. We were asked the question and we'll post the answer on the Web site, what different formats we use for our images, but they are probably different. What we use in Direct Loan Servicing is probably different than what Consolidation uses, and again, we're posting that information on the Web site. So depending on the system, you may still have different requirements for record retention, and we'll put that together.

Included in the prominent storage for the paper, prominence, again, most of them are available electronically. We're still required to keep the

actual asset or promissory note in hard copy. But there's a lot of documents at DCS in paper form that need to be stored that they need access to.

I would add also in all of our, we obviously get from Dan and that's all electronic, but all of the failed debt and the Perkins and a lot of stuff, all of the debt that you saw mentioned in our portfolio, all of that is paper, and we imagine that to come in, but we've got a lot of paper that we still have in storage. So we'll have to talk through the actual conversion, but the conversion process is going to be huge, as Dan mentioned, on both sides.

We are showing what we consider to be essential documents, and right now that's the PROM note. Our partner right now has a list of how to determine what's essential beyond the PROM note, but for the most part the files that we have stored contain the PROM note. Everything else is

**Comments**

This was a question received via note card at the Pre-Proposal Conference. The response to this question is contained within the transcript from the conference and can be found on the CSB web site (www.1800iwillpay.com/csb).

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 90 | Not Provided | | Transcript | 5/2/2003 | 5/12/2003 |

**Assigned to**

Pat Bradfield

**Web ID**

**Vendor Question**

Q. There is a NAICS code which identifies the small business as one which is less than 500 people that is under the research and development business category.  Could this be looked at for defining small business?

**FSA Response**

A. In the solicitation in Section K, the contracting officer will include a clause for the offeror to indicate whether they are or are not a small business and he will include a specific NAICS code for this solicitation.  This is going to be an IT services contract.  It will be a NAICS code appropriate to an IT services contract.

However, if the prime is going to award the subcontract for some other effort, they would select their own NAICS code to include in the subcontract and submit that under a different term of the ultimate contract for the contracting officer's review.  If they pick one for hairdressing, the contracting officer would probably reject that.  If they pick one that was for an effort that was appropriate to this, let's say, the development portion of the

**Comments**

This was a question received via note card at the Pre-Proposal Conference.  The response to this question is contained within the transcript from the conference and can be found on the CSB web site (www.1800iwillpay.com/csb).

**Assigned to**

Dan Hayward

**Web ID**

**Vendor Question**

Q. How many call center agents does the solution require?

**FSA Response**

A. We don't know.  You tell us.  We know how many we currently have.  We have multiple call centers.  Consolidation has its own center.  Collections has its own center.  We have two centers for servicing, but that's just the way it evolved.  It's not the way we would have designed it necessarily.  So you tell us how many CSRs it takes to service six million repayment borrowers, three or four million collection borrowers, and so forth.  We can tell you call stats, but we can't tell you what the people would be required.  It's somewhat a function of your solution.

**Comments**

This was a question received via note card at the Pre-Proposal Conference.  The response to this question is contained within the transcript from the conference and can be found on the CSB web site (www.1800iwillpay.com/csb).

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 92 | Robert Leary - SLMA | SLMA | Answer Prepared, not yet Posted | 5/16/2003 | 5/27/2003 |

**Assigned to**

Dan Hayward, Rich Galloway

**Web ID**

**Vendor Question**

Q. Facility Tours & Discussion with Key FSA Liaisons and Contractors

We request on-site facility tours and discussion with key FSA liaisons and contractors pertaining to the following operations.  Access to this level of information will enable potential vendors to more fully understand the functions and thus offer more informed solutions and pricing.  The operations we are requesting access to include:

• Direct Loan Servicing Centers,
• Conditional Disability Discharge Tracking Operations,
• Debt Management Collection Operations,
• Loan Consolidation Operations, and
• The Virtual Data Center.

**FSA Response**

A. Because of security, proprietary information and timing issues, we cannot accommodate the request for on-site facility tours.  Moreover, the Department is desirous of understanding each offeror's proposal based on its understanding of the loan business, not based on the current operations.

**Comments**

5/19 - From Rich: I think we can and should arrange site visits and give offerors access to websites, etc.  The more they know, the better the proposals and the smoother the transition.  However, we need to tend to security issues and we need to be sensitive to the fact that some of these sites are operated by competing contractors.  For site visits, we need to make sure:

-  We can do it without disclosing proprietary information,
-  If at a contractor's site, we have either contractual authority or permission of the contractor (Authority may be covered in the transition requirements of the contract or elsewhere in the SOW.  It's not usually addressed in contract clauses.)
-  We address any security concerns.

Security would be the main issue with giving them access to our web sites or data bases or software.  However, an advantage of the 2-phase approach is that we have a discreet set of responsible parties and don't have to share sensitive info with the world.  That said, I would make them go through the standard security clearance processes, etc.

6/6 - Answer received from Dan.

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 93 | Robert Leary - SLMA | SLMA | Answer Prepared, not yet Posted | 5/16/2003 | 5/27/2003 |

**Assigned to**

Dave Loewenstein

**Web ID**

**Vendor Question**

Q. What is FSA's current status pertaining to Section 508 compliance for all web sites and legacy system including: DLSS, DMCS, CDDTS, and LC?

The six sites include (section 1.3.4.2 of the SOO):
• DLSS Borrowers (http://www.dl.ed.gov/)
• DLSS Schools (http://www.dl.ed.gov/schools/)
• DLSS Department of Education (http://www.dl.ed.gov/ed/)
• Collections (http://www.ed.gov/offices/OSFAP/DCS)
• Private Collection Agency (PCA)/Guaranty Agency (GA) Support (http://www.collections.sfa.ed.gov/)

**FSA Response**

A. Section 508 of the Rehabilitation Act of 1973, as amended by the Workforce
Investment Act of 1998, requires that Federal agencies' electronic and
information technology to be accessible to people with disabilities.

Internet/Final Section 508 Standards
§ 1194.22 Web-based intranet and internet information and applications.
a. A text equivalent for every non-text element shall be provided (e.g., via "alt", "longdesc", or in element content).
b. Equivalent alternatives for any multimedia presentation shall be synchronized with the presentation.
c. Web pages shall be designed so that all information conveyed with color is also available without color, for example from context or markup.
d. Documents shall be organized so they are readable without requiring an associated style sheet.
e. Redundant text links shall be provided for each active region of a server-side image map.
f. Client-side image maps shall be provided instead of server-side image maps except where the regions cannot be defined with an available geometric shape.
g. Row and column headers shall be identified for data tables.
h. Markup shall be used to associate data cells and header cells for data tables that have two or more logical levels of row or column headers.
i. Frames shall be titled with text that facilitates frame identification and navigation.
j. Pages shall be designed to avoid causing the screen to flicker with a frequency greater than 2 Hz and lower than 55 Hz.
k. A text-only page, with equivalent information or functionality, shall be provided to make a web site comply with the provisions of this part, when compliance cannot be accomplished in any other way. The content of the text-only page shall be updated whenever the primary page changes.
l. When pages utilize scripting languages to display content, or to create interface elements, the information provided by the script shall be identified with functional text that can be read by assistive technology.
m. When a web page requires that an applet, plug-in or other application be present on the client system to interpret page content, the page must provide a link to a plug-in or applet that complies with §1194.21(a) through (l).
n. When electronic forms are designed to be completed on-line, the form shall allow people using assistive technology to access the information, field elements, and functionality required for completion and submission of the form, including all directions and cues.
o. A method shall be provided that permits users to skip repetitive navigation links.
p. When a timed response is required, the user shall be alerted and given sufficient time to indicate more time is required

• LC (http://loanconsolidation.ed.gov)


## Comments

5/20 - Brian, Cindy, and Densie to provide system-specific information.  Dave to provide general Section 508 compliance information.
5/27 - Whitney Hoffman incorporated response from Dave Elliot (received via email on 5/23) and added and additional ending paragraph to state that all six sites are Section 508 compliant.   NEED TO CONFIRM THAT ALL SIX SITES ARE IN FACT SECTION 508 COMPLIANT

6/3 - Determined that DLSS Borrowers Site and Schools site are Sect. 508 compliant, but ED site is not since it is not available to the public…still waiting on answer for Collections sites.
6/4 - Determined Collections sites are 508 compliant.

6/9 - Whitney Hoffman marked as "In Progress" in response to comment from Rich about how the Direct Loan Department of ED Site could have no requirement to be Section 508 Compliant.  Dave Loewenstein is on point to follow up with Cindy Battle regarding this issue.
6/12 - All sites are 508 compliant.

**Question ID**   **Vendor Contact**   **Vendor**   **Status**   **Date Received** **Due Date**
94                Robert Leary - SLMA  SLMA         In Progress  5/16/2003         5/27/2003

**Assigned to**                                                                    **Web ID**
Cindy Battle, Brian Sullivan, Gary Hopkins, Denise Leifeste

**Vendor Question**
Q. Access Request To The 6 Current FSA Websites
1. Please provide read-only access to the following website so that the potential CSB vendors may better evaluate website content and functionality.
  It is requested that this access be set-up as soon as possible.  The six website include (section 1.3.4.2 of the SOO):
• DLSS Borrowers (http://www.dl.ed.gov/)
• DLSS Schools (http://www.dl.ed.gov/schools/)
• DLSS Department of Education (http://www.dl.ed.gov/ed/)
• Collections (http://www.ed.gov/offices/OSFAP/DCS)
• Private Collection Agency (PCA)/Guaranty Agency (GA) Support (http://www.collections.sfa.ed.gov/)
• LC (http://loanconsolidation.ed.gov)

2. Which web sites interface with the COD (origination platform)? How exactly does COD interact with the servicing, consolidation, or collection/portfolio management system?

**FSA Response**
A.
1.

2. No CSB Websites currently interface with COD.  Only Servicing interfaces with COD.  Information regarding this interface can be found in the Servicing Interface Manual on the CSB Website's Vendor Library.

**Comments**
5/19 - Denise, Brian, and Gary also assigned this question.
5/20 - Dave L. provided answer for #2 based on discussion with Dan.
6/4 - Comment received from Bill Burns, "Is Sallie Mae asking for system access to the web site so they can view the code?  If so, the web site is

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 95 | Robert Leary - SLMA | SLMA | In Progress | 5/16/2003 | 5/27/2003 |

**Assigned to**                                                                                                           **Web ID**
Cindy Battle

**Vendor Question**

Q. Electronic Bills and correspondence

1. What is the architecture of the interface between CheckFree, eDocs and the FSA websites? Is the image of the paper bill presented on the DLSS borrower web site?

2. How is the electronic correspondence facility designed? Is this considered a service provided by the backend DLSS servicing system or the front-end web sites?

3. How are payments from bill aggregators like Yahoo Bill Pay etc. handled?

4. Who extracts the payment from the borrower's account? Is there any reconciliation or matching of submissions made on the site to the posted

**FSA Response**

A.

1. For information on the architecture of the interface between CheckFree, eDocs and the FSA websites please refer to the document titled "EBPP-EC-Self Service Architecture.ppt" within the CSB Resource Library (http://www.1800iwillpay.com/csb/library.html).  No, an exact image of a borrowers paper bill is not presented on the DLSS borrower web site.  Instead, a borrower is able to click on the "View Details" link to view a slightly modified electronic version of the detailed information presented on the paper bill.

2. Electronic correspondence is fulfilled based upon a HTML templates modeled after the paper version of each letter.  These templates are created, maintained, and updated by system administrators through the eDocs software.  The backend DLSS servicing system and the front-end web site work together to fulfill electronic correspondence.  The DLSS sends files to the eaDirect providing the required information to fulfill the correspondence.  eaDirect then parses the information according to Notice Type and uses the appropriate HTML template to create the Active Service Page (ASP) file.   When a borrower accesses the front-end web site to view their electronic correspondence the ASP file will merge the data provided within the file and the appropriate HTML template to create the final electronic correspondence product which is emailed to the borrower via eaDirect.

3. Payment files from bill aggregators like Yahoo, Bill Pay, etc. are sent to the Lockbox via FTP by the  Aggregator Engine.  The Lockbox processes the payment and then sends reconciliation information to the DLSS back end system.  For more information, please refer to the document titled "EBPP-EC-Self Service Architecture.ppt" within the CSB Resource Library (http://www.1800iwillpay.com/csb/library.html).

4.

**Comments**

5/19 - Assigned to both Cindy and Whitney

6/13 - Whitney Hoffman provided answers to numbers 1-3 and informed Cindy Battle that information for number 4 would have to be obtained from ACS's Interface group since they are in charge of the reconciliation process for EBPP.  PLEASE NOTE THAT THE DOCUMENT "EBPP-EC-SELF SERVICE ARCHITECTURE.PPT" MUST BE POSTED TO THE CSB RESOURCE LIBRARY PRIOR TO THIS ANSWER BEING POSTED.

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 96 | Robert Leary - SLMA | SLMA | In Progress | 5/16/2003 | 5/27/2003 |

**Assigned to**                                                                                                    **Web ID**

Cindy Battle, Gary Hopkins, Brian Sullivan

## Vendor Question

Q. Please answer the following questions about web site architecture:

a. Please provide overview details on the architecture of all FSA websites? We would like to know the languages and databases used, web page design tools and technologies etc.

b. What is the content management process for these sites?  Are any of these sites setup to use content management tools? If so, which ones?

c. Do these web sites maintain data stores of their own? If so how do the stores get populated and reconciled?

d. Please provide web usage statistics? Unique visitors/hour, page hits/hr, backend transactions/hr etc.

e. What is the size of each web application -  ie, approximate lines of code, javascript;  number of ASP's,  JSP's?

f. What type of application servers are being used (Hardware and Software)?

g. What type of web servers are being used (Hardware and Software)?

h. How many servers are being used to support the existing volume?

## FSA Response

A.

a.

1. DLSS Borrowers (http://www.dl.ed.gov)

2. DLSS Schools (http://www.dl.ed.gov/schools)

3. DLSS Department of Education (http://www.dl.ed.gov/ed)

4. Collections (http://www.ed.gov/offices/OFSAP/DCS)
No database access is used. All of the pages are scripted in only
HTML and in some cases Javascript.

5. Private Collection Agency (PCA)/Guaranty Agency (GA) Support (http://www.collections.sfa.ed.gov)
No database access is used. All of the pages are scripted in only
HTML and in some cases Javascript.

b.

1. DLSS Borrowers (http://www.dl.ed.gov)

2. DLSS Schools (http://www.dl.ed.gov/schools)

3. DLSS Department of Education (http://www.dl.ed.gov/ed)

4. Collections (http://www.ed.gov/offices/OFSAP/DCS)
The site uses a content management tool called Teamsite from Interwoven (i.e., Interwoven TeamSite 5.0 on a Sun Fire V880 with 2x750MHz

processors, 4Gb memory, and 6x36Gb disk drives, running Solaris 2.8.)  The site editor can use whatever web site editor they choose such as Dreamweaver, FrontPage etc.

5. Private Collection Agency (PCA)/Guaranty Agency (GA) Support (http://www.collections.sfa.ed.gov)
No content management tools are used.  The sites are just edited and managed using Dreamweaver and FTP.

c.
1. DLSS Borrowers (http://www.dl.ed.gov)

2. DLSS Schools (http://www.dl.ed.gov/schools)

3. DLSS Department of Education (http://www.dl.ed.gov/ed)

4. Collections (http://www.ed.gov/offices/OFSAP/DCS)

5. Private Collection Agency (PCA)/Guaranty Agency (GA) Support (http://www.collections.sfa.ed.gov)

d.
1. DLSS Borrowers (http://www.dl.ed.gov)

2. DLSS Schools (http://www.dl.ed.gov/schools)

3. DLSS Department of Education (http://www.dl.ed.gov/ed)

4. Collections (http://www.ed.gov/offices/OFSAP/DCS)

5.  Private Collection Agency (PCA)/Guaranty Agency (GA) Support (http://www.collections.sfa.ed.gov)

e.
1. DLSS Borrowers (http://www.dl.ed.gov)

2. DLSS Schools (http://www.dl.ed.gov/schools)

3. DLSS Department of Education (http://www.dl.ed.gov/ed)

4. Collections (http://www.ed.gov/offices/OFSAP/DCS)

5. Private Collection Agency (PCA)/Guaranty Agency (GA) Support (http://www.collections.sfa.ed.gov)

f.
1. DLSS Borrowers (http://www.dl.ed.gov)

2. DLSS Schools (http://www.dl.ed.gov/schools)

3. DLSS Department of Education (http://www.dl.ed.gov/ed)

4. Collections (http://www.ed.gov/offices/OFSAP/DCS)
Application Server: IBM WebSphere 4.0.2

5.  Private Collection Agency (PCA)/Guaranty Agency (GA) Support (http://www.collections.sfa.ed.gov)

Application Server: Windows NT 4.0 Service Pack 6/IIS 4.0

g.

**Comments**
5/19 - All pieces of this question assigned to Cindy/Heather & Denise & Gary/Brian
5/22 - Whitney Hoffman added information provided by Gary Hopkins for the Collections and PCA/GA sites
6/4 - Dave added LC answer from Bill Burns

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**

97 Robert Leary - SLMA SLMA In Progress 5/16/2003 5/27/2003

**Assigned to** **Web ID**

Denise Leifeste

**Vendor Question**

Q. Does the loan consolidation web site provide access to schools and lenders along with borrowers?

**FSA Response**

A. The DLCS web site access is launched from client machines located at various schools and connects to the database server via EDNET. The LC Web Site is accessed via the Internet through the use of an Internet Browser.

**Comments**

6/4 - Dave added answer from Bill Burns.  It answers the schools question, but not the lender question.

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 98 | Not Provided | | Posted | 5/12/2003 | 5/23/2003 |

**Assigned to**

Dan Hayward

**Web ID**

## Vendor Question

Q. The following questions apply to incoming calls for the Direct Loan Call Center.

1. How many of the incoming 7,280,121 calls are resolved in the IVR?

2. What is the average call duration by call type?

3. What are the caller authentication requirements for IVR and CSRs?

4. What is the patterning of the calls?  i.e., peak day, hour etc

5. Are there approved scripts and can we get a copy of them?

6. What are the record keeping requirements on call notes and call disposition?

7. Can we get a current analysis on call types, mean time to resolve and a full set of call performance metrics?

8. What are the performance metrics requirements for Call Center?

9. How will tier II service be handled?

10. How many incoming email is received? What is the nature of inquiries?

11. Hours of operation assumed 24 x 7 x 365. Is this correct?

## FSA Response

A. Note:  The following answers refer to our current Direct Loan Call Center.  The answers we are providing are only for your edification.  Our CSB requirements are stated in the SOO, not in these answers.  See SOO Section 2.2.7 for Customer Interaction requirements.

1. Of all incoming calls, Borrower Services handled about 83%.  Of that, approximately 27% of inbound Borrower Services calls are handled by the IVR.

2. Average call duration by call type is not tracked.  Average Talk Time is tracked which is just under 270 seconds.

3. For our IVR:

   • Account Number

   • DOB

  For CSR Support:

   • Account Number

   • Name

   • Address and Telephone(s) verification

4. Statistically, our busiest month is January, day is Monday and hour is usually 1:00 – 2:00 EST.

5. It is FSA's goal to see your final solution regarding the best ways to address our customer through call scripts.  It will be unique to your solution.

6. Contact information for all inbound and outbound calls and attempts are recorded on the servicing system via contact codes.  Additionally, all "contact" notes are imaged into the borrower file.  In our current solution, they are maintained as long as necessary to service the customer.  Our requirements are stated in the SOO.

7. It is FSA's goal to see your proposal to address call performance metrics.  However, sample data for call reasons is as follows:

| | | |
|---|---|---|
| Jan. 2003 | Payment Inquiry | 13.81% |
| | Deferment | 12.44% |
| | Account Inquiry | 10.87% |
| | 1098E & Annual Statement | 9.03% |
| | Forbearance | 7.92% |

| | | |
|---|---|---|
| Feb. 2003 | Payment Inquiry | 13.65% |
| | Deferment | 11.58% |
| | Account Inquiry | 10.02% |
| | Forbearance | 9.45% |
| | 1098E & Annual Statement | 9.05% |
| Mar. 2003 | Payment Inquiry | 13.47% |

## Comments

5/19 - Dan provided answers to questions.
5/23 - Posted to Website.

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 99 | Not Provided | | In Progress | 5/12/2003 | 5/23/2003 |

**Assigned to**

La Teata Jackson

**Web ID**

**Vendor Question**

Q. We need clarification on "payments received with a corresponding payment coupon (via a lockbox)

a. Is Lockbox functionality to be in included in the functional solution and the ROM estimate?

b. Is the corresponding payment coupon an OCR machine-readable document?

c. Please provide standards established by the US Department of Treasury and Education for this lockbox application, in addition to file layouts and processing guidelines for foreign items and endorsements.

d. Please provide average monthly lockbox volume for this application for the last 6 months. Estimated monthly volume for the duration of the

**FSA Response**

A.

a. Lockbox functionality is currently obtained from Treasury FMSS at a very reduced price. It is possible for the new CSB vendor to use those same reduced services. If the offer wishes to propose a different solution, it will be evaluated based on the same cost criteria as other offers.

b. The payment coupon is OCR readable.

c. This will occur in a few days.

d. The Treasury FMSS costs are not tied to payment volume. It is only tied to exception processing. However, the past and estimated volumes include: Average monthly volume from 11/1/02-4/30/03 is 1,551,523. Estimated monthly volume is expected to correspond to scenario II.

**Comments**

5/19 - Dan provided answers to questions.

5/23 - LaTeata to make more changes. Question posted to web, but answer still pending.

| Question ID | Vendor Contact | Vendor | Status | Date Received | Due Date |
|---|---|---|---|---|---|
| 100 | Not Provided | | Posted | 5/12/2003 | 5/23/2003 |

**Assigned to**

Dan Hayward

**Web ID**

**Vendor Question**

Q. Payments require sending data to FSA's FMS according to FMS and FSA standards.  Please provide standards appropriate to the lockbox and electronic payment processing for this arrangement.

**FSA Response**

A. All formats are provided in the Reference Library (http://www.1800iwillpay.com/Csb/library.html).

**Comments**

5/19 - Dan provided answer
5/23 - Posted to CSB Website

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 101 | Not Provided | | Posted | 5/12/2003 | 5/23/2003 |

**Assigned to**

**Web ID**

Dan Hayward

**Vendor Question**

Q. Of the loan volumes cited in Appendix H, what percentage of the loans require active servicing (are in the process of being repaid) vs. passive loans in the portfolio (due to continuing education and/or other special considerations) that have not yet come due for payment?

**FSA Response**

A. All loans will require servicing at some level. This could be computing and mailing quarterly interest statements to borrowers who are in school or in Deferment, providing counseling to In Grace borrowers, etc. However, the current distribution status of 6.1 million Direct Loan borrowers is as follows:

| Status | Population |
|---|---|
| In School | 1,797,000 |
| In Grace | 246,000 |
| In Repayment | 3,024,000 |
| In Deferment | 764,000 |

**Comments**

5/19 - Dan provided answers
5/23 - Posted to Website

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 102 | Paul Mayer - SLMA | SLMA | Posted | 5/16/2003 | 5/29/2003 |

**Assigned to**

**Web ID**

La Teata Jackson

**Vendor Question**

Q. It would be helpful for FSA to provide a copy of the Approved and Final "Business Rules."

**FSA Response**

A. The Direct Loan Servicing Business Rules are modified with changing program decisions, policy, regulations etc., as well as with the implementation of customer service enhancements; thus, this Business Rules document is generally referred to as a "living document".  The draft Direct Loan Servicing Business Rules document in the CSB library is the most current document available.

**Comments**

5/29 - Posted to CSB website

6/2 - Whitney Hoffman re-worded question from " It would be helpful for FSA to provide a copy of the Approved and Final "Business Rules" and "Direct Loan Servicing – Detail Description and Requirements" documents.  Further, provide business rules for the different loan programs:
• FFELP;
• The Federal Pell Grant Program;
• The National Early Intervention Scholarship and Partnership (NEISP) Program;
• The Federal Supplemental Educational Opportunity Grant (FSEOG) Program;
• The Leveraging Educational Assistance Partnership (LEAP) Program;
• The Federally Insured Student Loan (FISL) Program;
• The Federal Work-Study (FWS) Program;
• The Federal Perkins Loan Program; and
• The Paul Douglas Teacher Scholarship Program."

to  "It would be helpful for FSA to provide a copy of the Approved and Final "Business Rules"." In addition, changed the answer from "The Direct Loan Servicing Business Rules are modified with changing program decisions, policy, regulations etc., as well as with the implementation of customer service enhancements; thus, this Business Rules document is generally referred to as a "living document".  The draft Direct Loan Servicing Business Rules document in the CSB library is the most current document available.

Information regarding the other programs listed can be accessed using the hyperlinks in Appendix E of the SOO.   To our knowledge, FSA has not issued official Business Rules for these programs." to "The Direct Loan Servicing Business Rules are modified with changing program decisions, policy, regulations etc., as well as with the implementation of customer service enhancements; thus, this Business Rules document is generally referred to as a "living document".  The draft Direct Loan Servicing Business Rules document in the CSB library is the most current document available."  This direction was received from Dan Hayward via an email sent on 5/30.

**Assigned to**

**Web ID**

Rich Galloway

**Vendor Question**

Q.  Can you send us the full lists of the proposed subcontractors for each of the three companies accepted as bidders for the Common Services for Borrowers contract?

**FSA Response**

A.  No.  Details of an offerors' proposal are considered source selection information and may not be released.  Besides, we do not have that information.  Offerors were not required to provide the full list of proposed subcontractors in Phase I.

**Comments**

5/27 - Whitney Hoffman added question and answer as directed by Rich Galloway via email
5/29 - Posted to CSB website

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 104 | Not Provided | | Answer Prepared, not yet Posted | 5/28/2003 | |

**Assigned to**

**Web ID**

Rich Galloway

## Vendor Question

Q. FSA has communicated on several occasions that it is interested in the potential advantages of a longer-term contract, presumably to enable vendors to amortize initial capital/transition investments over a longer period of time, and to pass these savings along to FSA. Yet, the RFP presumes a 1-year base contract with nine option years. Can FSA explain its rationale for this approach, and how it suggests proposers address the issue of recapturing capital investment?

## FSA Response

A. The amendment 01 to the RFP now permits a multi-year base period of up to 5 years, in accordance with FAR subpart 17.1, with options used for the remainder of the ten-year life of the contract. In accordance with Federal appropriations law, ED must fund the CSB contract from annual appropriations, yet must fund the full amount of its obligation, including any cancellation ceiling, at the time it incurs the obligation (i.e., at award). To help meet this challenge, we encourage offerors to amortize capital and transition costs over the length of the contract. For more information about the requirements of Federal appropriations law, see "Principles of Federal Appropriations Law," also known as the GAO Red Book, which is available from GAO at http://www.gao.gov/ under "Other Publications."

## Comments

6/12 - Rich Provided answer.

**Assigned to**

**Web ID**

Dan Hayward

**Vendor Question**

Q. The RFP requests that the Statement of Work "map to the format" of the SOO. Can FSA be more specific as to whether it is requesting that we follow the precise sequence of the SOO, or whether it is equally acceptable to address each SOO item but to organize the items in a different

**FSA Response**

A. Where feasible, the SOW should follow the precise sequence of the SOO, preferably to the third level of outlining (e.g., to section 2.3.4, 4.1.2, etc.). The goal of this request is to improve the consistency of presentation and clarity of the proposal. Hence, the RFP does not require full or rigid adherence of every item to the exact sequence of the SOO. Deviations may be appropriate to provide greater clarity or to avoid redundancies. However, offerors must demonstrate through the Traceability Matrix how each item in the offeror's WBS and SOW maps to the SOO.

**Comments**

5/28 - Dan provided response.
5/29 - Posted to CSB website
6/6 - Rich changed answer…added to the Q&A on the website.

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 106 | Not Provided | | Answer Prepared, not yet Posted | 5/28/2003 | |

**Assigned to**

**Web ID**

Rich Galloway

## Vendor Question

Q. Please explain the small business targets and how they will be measured in more detail.

• The RFP references a goal of 23% small business participation.  How is the 23% measured – for example, is this 23% of total contract revenues, 23% of total contract revenues minus commodity items such as postage, or 23% of labor related expense?

• Is the 23% participation measured on a fiscal year basis?  What are the implications of exceeding the goals in some years and coming under the goal in others?

## FSA Response

A. For purposes of evaluation of small business participation, the extent of small business subcontracting is measured as a ratio of dollars awarded to small business to the total contract value.  No, postage and other commodity items will not be subtracted from the total contract value.  Small business participation is monitored on a fiscal-year basis.  See FAR 52.219-9.  Also, see FAR 52.219-16, which provides that failure by a contractor to make a good faith effort to meet the goals in its subcontracting plan may result in liquidated damages.

Offerors may propose small business targets that vary from year to year.  Small business participation will be evaluated in accordance with the Small Business Participation factor in section M, which includes the criterion "The ability to meet the proposed subcontracting goals each year."

## Comments

6/12 - Answer provided by Rich.

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**
107 Not Provided Posted 5/28/2003 5/29/2003

**Assigned to**

**Web ID**

Dan Hayward

**Vendor Question**

Q. Please provide more explanation as to the content and level of detail sought in the Work Breakdown Structure.  For example, does FSA want a summary of resources employed for different components of the WBS?

**FSA Response**

A. The Department wants to receive sufficient detailed information so as to be clear on the tasks that will occur, their duration, dependencies between tasks, milestones, etc.  If resources are significant components, that would be useful information.

**Comments**

5/28 - Dan provided response
5/29 - Posted to CSB website

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**
108 Not Provided Posted 5/28/2003 5/29/2003

**Assigned to** **Web ID**
Rich Galloway

**Vendor Question**
Q. Please provide a copy of the general provisions as is referenced on page 37 of the RFP, Section L.3.

**FSA Response**
A. General provisions and clauses are provided in RFP Sections H, I and K.  The full text of provisions incorporated by reference is available in the Federal Acquisition Regulation (FAR) <http://www.arnet.gov/far/> and the Department of Education Acquisition Regulation (EDAR) <http://www.ed.gov/offices/OCFO/contracts/clibrary/edar.html>.  Additional clauses may be added to comply with laws and regulations which are in effect at time of contract award.  While some provisions may be added that are specific to the awardee's proposal (e.g., see Q.36), we are unable to determine their exact content at this time.

**Comments**
5/29 - Posted to CSB website

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**
109 Not Provided Posted 5/28/2003 5/29/2003

**Assigned to**

**Web ID**

Rich Galloway

**Vendor Question**

Q. Sections H.19 (page 20) and L.6. (page 45) are in conflict on how the offeror should address "liquidated damages" in the Phase Two response. Please clarify.

**FSA Response**

A. H.19 and L.6 are not in conflict.  In L.6 we are asking offerors to propose schedules of liquidated damages.  H.19 is a placeholder where we will insert the negotiated schedules at time of contract award.

**Comments**

5/29 - Posted to CSB website

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**
110 Not Provided Posted 5/28/2003 5/29/2003

**Assigned to** **Web ID**
Rich Galloway

**Vendor Question**

Q. Please define what you mean by a "categorical description" as referenced on page 44, Section L.5.E. of the RFP.

**FSA Response**

A. The term "categorical description" means that offers should provide information in sufficient detail to enable the contracting officer to make a positive responsibility determination in accordance with FAR 9.104. Past performance information that was previously provided in the Phase I submission may be referenced, rather than repeated.

Essentially, in a determination of responsibility, the Government is looking to see that the offeror has the financial and corporate resources necessary to successfully perform a project of this scope. The language at L.5.E. is from boilerplate. We do not necessarily need a lot of information on each point. Some points will require more than others. The amount and kind of information needed will vary based on the size of the project and the nature and funding of the organization. Greater information would be needed from an offeror that is establishing a new division or corporate entity to perform the contract to ensure that the new division is adequately capitalized (or has an adequate line of credit) and that it is putting its corporate

**Comments**

5/29 - Posted to CSB website

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**

111 Bill Hardy ACS Education Services, LLC In Progress 6/2/2003 6/6/2003

**Assigned to**

**Web ID**

Rochelle Whittington

**Vendor Question**

Q. RFP page #15, Section H.9 - "Payment to the GPO shall be made directly by the Department and charged to the Contract."  Does the Department intend that the contactor pay for printing costs for printing of material performed by GPO?  What are the General Provisions referred to

**FSA Response**

**Comments**

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 112 | Bill Hardy | ACS Education Services, LLC | Answer Prepared, not yet Posted | 6/2/2003 | 6/6/2003 |

**Assigned to**

Rich Galloway

**Web ID**

**Vendor Question**

Q. RFP page #37, Section L.1 - Will the Questions & Answers become contractually binding?  Where do they fall in the order of precedence?

**FSA Response**

A. Q&As are provided for clarification and advice.  Under certain circumstances, they may be used after contract award as information to assist in interpreting the contract, but ordinarily would not take precedence over the express terms of the contract.  However, if incorporated into the RFP and resulting contract, they will become contractually binding.  In several answers, we have stated that we have amended or intend to amend the RFP.  If you believe an answer conflicts with the RFP, please let us know so we can amend the RFP or provide further clarification.

**Comments**

6/12 - Answer provided by Rich.

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**

113 Bill Hardy ACS Education Services, LLC Answer Prepared, not yet Posted 6/2/2003 6/6/2003

**Assigned to** **Web ID**

Rich Galloway

**Vendor Question**

Q. RFP page #41, Section L.4 - "The CSB vendor will submit a draft turnover plan to coincide with the deployment of the CSB solution." Does the Department expect that a draft turnover plan for the end of the contract should be included in the offeror's proposal?

**FSA Response**

A. No, the draft turnover plan is due at deployment of the CSB solution, not in the offeror's proposal. The text in L.4 in the four paragraphs following "Transition Plan" is an SOO requirement that was inadvertently included in Section L. (The text is properly found in section 2.3.7.2 on page 30 of the SOO.) We intend to amend RFP to delete the unnecessary text. Section 2.3.7.2 of the SOO should still be covered in the offeror's proposal. E.g., see subsections #2 (SOW) and #3 (WBS) of L.4.

**Comments**

6/12 - Rich provided answer.

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 114 | Bill Hardy | ACS Education Services, LLC | Answer Prepared, not yet Posted | 6/2/2003 | 6/6/2003 |

**Assigned to**

**Web ID**

Rich Galloway & Mike J. Murray

**Vendor Question**

Q. RFP page #44, Section L.6 - "Demonstrate how you break out pricing, for billing purposes, by service…"  Does this indicate the offerors are expected to propose a set of deliverables for which the Department will be billed using fixed unit rates times applicable volumes?  If so, how will the Department determine the comparability of the various offers?

**FSA Response**

A. No, the Department is not prescribing deliverables and it is not telling offerors how to structure prices.  The offeror's solution must include an ability to break out its pricing by service when invoicing the Department.  The offeror must explain how it plans to break out or allocate the total monthly invoice amount so that we can charge the appropriate program accounts when we pay the contractor's invoice.

**Comments**

6/10 - Dave L. added answer from Mike J.

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**

115 Bill Hardy ACS Education Services, LLC In Progress 6/2/2003

**Assigned to**

**Web ID**

Rich Galloway & Mike J. Murray

**Vendor Question**

Q. RFP page #44, Section L.6 - Please identify how ED would like the "usage factors" for the VDC broken out?

**FSA Response**

**Comments**

**Question ID**    **Vendor Contact**      **Vendor**      **Status**      **Date Received**   **Due Date**

116      Bill Hardy      ACS Education Services, LLC    Answer Prepared, not yet Posted    6/2/2003    6/6/2003

**Assigned to**

Rich Galloway & Mike J. Murray

**Web ID**

**Vendor Question**

Q. RFP page #45, Section L.6 - "If proposed, provide detailed price information on labor categories proposed for all future enhancement work…"
How will such pricing, if proposed, be treated in determining the offeror's evaluated price?

**FSA Response**

A. The Department will review pricing and risk to determine the best value for the proposed solution.

**Comments**

6/10 - Answer provided by Mike J.

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 117 | Bill Hardy | ACS Education Services, LLC | Answer Prepared, not yet Posted | 6/2/2003 | 6/6/2003 |

**Assigned to**

**Web ID**

Rich Galloway & Mike J. Murray

**Vendor Question**

Q. RFP page #45, Section L.6 - "If proposed, provide detailed price information on proposed Key labor categories." Does this mean that an offferor may choose to propose certain positions as Key labor categories for which the offeror would be compensated on an hourly or other basis? If so, how will such pricing be treated in determining the offeror's evaluated price?

**FSA Response**

A. If an offeror believes that proposing key labor categories is a best solution, then the offeror may propose it and must provide clear information to enable the Department to determine its total price by Fiscal Year. Where necessary, an offeror should estimate usage and provide an explanation of basis for that estimate. The Department will evaluate pricing in accordance with M.1(D) of the RFP. Also note M.1(C)(2) under the technical

**Comments**

6/10 - Answer provided by Mike J.

6/12 - New answer provided by Rich. Accidentally left in 2 places #s 55 and 70…per Rich, we are just leaving it.

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**

118 Bill Hardy ACS Education Services, LLC Answer Prepared, not yet Posted 6/2/2003 6/6/2003

**Assigned to** **Web ID**

Rich Galloway & Mike J. Murray

**Vendor Question**

Q. RFP page #45, Section L.6 - "Please provide detailed pricing for your turnover plan." Does this refer to transition pricing at the beginning of the contract or turnover at the end off the contract? How should offerors price the turnover plan since it is not required until deployment of the CSB

**FSA Response**

A. We recently amended the RFP to delete that reference. Turnover is at the end of the contract and the SOO specifically says that turnover will be negotiated later.

**Comments**

6/10 - Answer provided by Mike J.
6/12 - Rich combined this question with #119 as part of Web ID #55.

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**

119 Bill Hardy ACS Education Services, LLC Answer Prepared, not yet Posted 6/2/2003 6/6/2003

**Assigned to**

**Web ID**

Rich Galloway & Mike J. Murray

**Vendor Question**

Q. RFP page #45, Section L.6 - "Please provide detailed pricing for your turnover plan."  Does this refer to transition pricing at the beginning of the contract or turnover at the end off the contract?  How should offerors price the turnover plan since it is not required until deployment of the CSB

**FSA Response**

A. We recently amended the RFP to delete that reference.  Turnover is at the end of the contract and the SOO specifically says that turnover will be negotiated later.

**Comments**

6/10 - Answer provided by Mike J.

6/12 - Rich combined this question with #118 as part of Web ID #55.

**Question ID** **Vendor Contact**    **Vendor**                          **Status**          **Date Received** **Due Date**
120              Bill Hardy            ACS Education Services, LLC  In Progress         6/2/2003          6/6/2003

**Assigned to**                                                                                              **Web ID**
Rich Galloway & Mike J. Murray

**Vendor Question**

Q. RFP page #45, Section L.6 - If pricing for the last five option years will be evaluated based on the fifth option year plus an escalation factor, and escalation will be applied only to labor, how should offerors treat non-labor costs in the last five years – for example postage?  Should the offeror estimate and include escalation for all non-labor costs in the last five years?

**FSA Response**

A. Yes, offerors should build their non-labor escalation price into the last 5 years.

**Comments**

6/10 - Answer provided by Mike J.
6/12 - Rich believes more work is needed before release.

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**
121 Bill Hardy ACS Education Services, LLC In Progress 6/2/2003 6/6/2003

**Assigned to**

**Web ID**

Rich Galloway & Mike J. Murray

**Vendor Question**

Q. RFP page #45, Section L.6 - If pricing for the last five option years will be evaluated based on the fifth option year plus an escalation factor, and escalation will be applied only to labor, how should offerors treat costs for commercial items supplied by vendors or subcontractors?  Will the escalation factor be applied only to prime contractor labor?

**FSA Response**

A. The escalation factor will only be applied to labor, prime and subs.  If an offeror has a need to price an escalator for non-labor, than that is an offeror's prerogative.

**Comments**

6/10 - Answer provided by Mike J.
6/12 - Rich believes more work is needed before release.

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**
122 Bill Hardy ACS Education Services, LLC In Progress 6/2/2003 6/6/2003

**Assigned to**

**Web ID**

Rich Galloway & Mike J. Murray

**Vendor Question**

Q. RFP page #45, Section L.6 - "Offerors may propose an index factor, however, the factor used in the evaluation will be the same factor for all offerors." Does this mean the offeror may propose a different index that would be used for billing purposes?

**FSA Response**

A. The offeror may offer an index factor that is different than the one proposed by the Department, but the offeror must explain why it is better. The Department will evaluate based upon the same index for all offerors.

**Comments**

6/10 - Answer provided by Mike J.

6/12 - Rich believes more work is needed before release.

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 123 | Bill Hardy | ACS Education Services, LLC | Answer Prepared, not yet Posted | 6/2/2003 | 6/6/2003 |

**Assigned to**

**Web ID**

Rich Galloway & Mike J. Murray

**Vendor Question**

Q. RFP page #45, Section L.6 - Is it the Department's intent that offerors propose pricing for all 10 years, but only escalate the base period and the first four option years?

**FSA Response**

A. Offerors should propose prices for the first five years of the contract. Offerors should propose an economic price adjustment for the final five years of the contract, applying the escalator index to the Year Five prices.

**Comments**

6/10 - Answer provided by Mike J.

6/12 - Revised answer provided by Rich.

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**

124 Bill Hardy ACS Education Services, LLC Answer Prepared, not yet Posted 6/2/2003 6/6/2003

**Assigned to**

Rich Galloway

**Web ID**

**Vendor Question**

Q. RFP page #53, Section L.22.(e).6 - Does the Government intend on making multiple awards?

**FSA Response**

A. The Government intends to make a single award under the CSB RFP.  Nevertheless, the Government reserves the right to make multiple awards.

**Comments**

6/12 - Answer provided by Rich.

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 125 | Bill Hardy | ACS Education Services, LLC | Answer Prepared, not yet Posted | 6/2/2003 | 6/6/2003 |

**Assigned to**

Rich Galloway & Mike J. Murray

**Web ID**

**Vendor Question**

Q. RFP page #59, Section M.1 - How will the Department perform a cost realism evaluation?

**FSA Response**

A. Section M.1 does not mention a "cost realism" evaluation.  However, M.1(D) describes how the price proposal will be evaluated, including "the realism of the proposed price with respect to the ability of the offeror to meet requirements."  Cost realism is covered under L.22.(e)(9) which provides that if a cost realism analysis is performed, cost realism may be considered in evaluating performance or schedule risk.

**Comments**

6/10 - Answer provided by Mike J.
6/12 - Revised answer provided by Rich

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 126 | Bill Hardy | ACS Education Services, LLC | Answer Prepared, not yet Posted | 6/2/2003 | 6/6/2003 |

**Assigned to**

**Web ID**

Rich Galloway & Mike J. Murray

**Vendor Question**

Q. RFP page #59, Section M.1b - How will the Department calculate the total evaluated bid price?

**FSA Response**

A. This is explained in the second paragraph of M.1(D) and in M.2 (see amendment 01 to the RFP).  Offerors must include complete prices in the provided scenarios.  As explained, the Department may consider other costs, such as the use of the VDC.

**Comments**

6/10 - Answer prepared by Mike J.
6/12 - Revised answer provided by Rich.

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**

127 Bill Hardy ACS Education Services, LLC In Progress 6/2/2003 6/6/2003

**Assigned to** **Web ID**

Rich Galloway & Gary Hopkins

**Vendor Question**

Q. SOO page #2, Section 1.2 - This section requires the contractor to be able to service non-defaulted FFELP loans.  This requirement was reiterated at the bidder's conference.  FFELP loans serviced under this contract will be held by the Department.  May offerors assume that FFELP functionality to support guarantor related functions such as pre-claims, claim filing, etc. will not be required?  Similarly, may offerors assume that functionality to support 799 reporting for interest subsidy and special allowance payments is not required?

**FSA Response**

**Comments**

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**

128 Bill Hardy ACS Education Services, LLC In Progress 6/2/2003 6/6/2003

**Assigned to** **Web ID**

La Teata Jackson

**Vendor Question**

Q. SOO page #2, Section 1.2 - With respect to the requirement to provide servicing capability for non-defaulted FFEL and Perkins Loans, may the offerors assume that the repayment plans available to Direct Loan borrowers can be made available to non-defaulted FFEL and Perkins borrowers?

**FSA Response**

**Comments**

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 129 | Bill Hardy | ACS Education Services, LLC | Answer Prepared, not yet Posted | 6/2/2003 | 6/6/2003 |

**Assigned to**

**Web ID**

Rich Galloway & Dave Elliott

**Vendor Question**

Q. SOO page #26, Section 2.3.1 - In order to determine whether or not various alternatives to the use of the VDC would be cost justified, it would be necessary to obtain estimates of the cost of hosting various solution components at the VDC.  Can FSA provide cost these estimates or a VDC contact for such estimates?

**FSA Response**

A. We have achieved very competitive rates for our services (hardware and software hosting) at the VDC and vendors should apply logic when proposing additional cost centers for this effort.  We will have to compare costs associated with any proposal to verify saving and value.  Proprietary cost breakouts are not available through the government.  Vendor-to-vendor agreements are encouraged through normal teaming arrangements.

**Comments**

6/13 - Answer provided by Dave Elliott

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 130 | Bill Hardy | ACS Education Services, LLC | Answer Prepared, not yet Posted | 6/2/2003 | 6/6/2003 |

**Assigned to**

**Web ID**

Dan Hayward, Brian Sullivan & Randy Bowman

**Vendor Question**

Q. SOO page #28, Section 2.3.2 - The first paragraph of Section 2.3.2 states that, "Application Maintenance encompasses all production fixes, functional enhancements, and application upgrades to web sites, programs, etc." What does FSA mean by "functional enhancements."

**FSA Response**

A. FSA expects each offeror to propose a definition of this and related applications development and maintenance terms. Note that clear and inclusive definitions may help reduce the cost risk to the government.

**Comments**

6/6 - Answer received from Dan.
6/12 - Revised answer provided by Rich.

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**

131 Bill Hardy ACS Education Services, LLC Answer Prepared, not yet Posted 6/2/2003 6/6/2003

**Assigned to** **Web ID**

Dan Hayward, Rich Galloway, Pat Bradfield & Tom Pestka

**Vendor Question**

Q. SOO page #28, Section 2.3.2 - Section 2.3.2 states, "FSA reserves the right to obtain the most competitive price for application maintenance. This may include maintaining a competitive pool of development vendors from which bids are solicited." What does FSA mean by application maintenance? Is it intended to include the "maintenance" work that FSA instructs to be built into the fixed operational price or is this meant to

**FSA Response**

A. FSA expects each offeror to clearly propose what is or is not covered within the fixed operational or any other price. FSA reserves the right to secure maintenance support elsewhere if it feels it can obtain a better value proposition or based on other deficiencies, as defined by the

**Comments**

6/6 - Answer received from Dan.
6/12 - Revised answer from Rich.

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 132 | Bill Hardy | ACS Education Services, LLC | Answer Prepared, not yet Posted | 6/2/2003 | 6/6/2003 |

**Assigned to**

**Web ID**

Dan Hayward, Rich Galloway, Pat Bradfield & Tom Pestka

**Vendor Question**

Q. SOO page #28, Section 2.3.2 - The second paragraph of Section 2.3.2 states that changes require "FSA approval". Is FSA requiring that all changes (maintenance and enhancements) to the production software cannot be moved into production until approval from FSA is obtained? Is it FSA's requirement that FSA approve the requirements and/or design of any change?

**FSA Response**

A.The Department, in its oversight role, will want to be consulted on significant changes (anything that impacts customer accounts or levels of service). Certain changes will require Department participation and approval but the specific level is undefined at this point.

**Comments**

6/6 - Answer received from Dan.

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**
133 Bill Hardy ACS Education Services, LLC In Progress 6/2/2003 6/6/2003

**Assigned to** **Web ID**

Dan Hayward, Brian Sullivan & Randy Bowman

**Vendor Question**

Q. SOO page #28, Section 2.3.2 - The fifth paragraph of Section 2.3.2 discusses "Enhancements and New Functionality."  This paragraph states that, "CSB system maintenance will be built into the fixed operational price," but also states that, "the Department expects the CSB vendor to have a defined methodology for pricing both types of work for the entire development lifecycle, from analysis through post-production support."  What does FSA mean by "both types of work"?  If maintenance is built into the fixed operational price, why would it be necessary to have a defined methodology for pricing that type of work?

**FSA Response**

A. The Department is desirous of understanding the impact of these activities on the costs of CSB.

**Comments**

6/6 - Answer received from Dan.

6/12 - Rich believes more work is needed before release.

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**

134 Bill Hardy ACS Education Services, LLC Answer Prepared, not yet Posted 6/2/2003 6/6/2003

**Assigned to**

**Web ID**

Rich Galloway, Tom Pestka & Dan Hayward

**Vendor Question**

Q. SOO page #29, Section 2.3.7.1 - Is the Conversion Plan required with the proposal?

**FSA Response**

A. Yes.

**Comments**

6/6 - Answer received from Dan.

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**

135 Bill Hardy ACS Education Services, LLC Answer Prepared, not yet Posted 6/2/2003 6/6/2003

**Assigned to**

**Web ID**

Rich Galloway, Tom Pestka & Dan Hayward

**Vendor Question**

Q. SOO page #29, Section 2.3.6 - The SOO states that the CSB vendor must document the Business Rules of their proposed solution and support FSA in its coordination and review of these Business Rules with other offices. Provided that the contractor's Business Rules comply with federal and state laws and regulations, will FSA retain any right to require changes to the contractor's Business Rules without compensating the contractor for the

**FSA Response**

A. The interpretation of Regulations is an inherently governmental function. FSA will coordinate that interpretation with other offices and will expect the contractor to comply with those interpretations.

**Comments**

6/6 - Answer received from Dan.

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**

136 Bill Hardy ACS Education Services, LLC Answer Prepared, not yet Posted 6/2/2003 6/6/2003

**Assigned to**

**Web ID**

Rich Galloway, Tom Pestka & Dan Hayward

**Vendor Question**

Q. Questions & Answers, Question #17 - Since the contractor will bear the cost of postage, will FSA relinquish control over the frequency, timing, and content of mailings (other than requiring compliance with law and regulation)?

**FSA Response**

A. The interpretation of Regulations is an inherently governmental function.  FSA will coordinate that interpretation with other offices and will expect the contractor to comply with those interpretations.  However, the Department will be very interested to see new solutions and approaches and encourages bidders to propose what they think will be a better communications plan with a best value solution.

**Comments**

6/6 - Answer received from Dan.

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**

137 Bill Hardy ACS Education Services, LLC In Progress 6/2/2003 6/6/2003

**Assigned to** **Web ID**

Rich Galloway, Tom Pestka, La Teata Jackson

**Vendor Question**

Q. Questions & Answers, Question #5 - FSA's answer states, "For CSB, as noted in Section 2.3.6 – Documentation of the Statement of Objectives, the CSB vendor must document the business rules of their proposed solution. We understand that it is necessary for FSA to have each Offerror's proposed business rules to be able to evaluate an Offerror's technical and business proposals. Where in the proposal should the business rules be

**FSA Response**

**Comments**

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**

138 Bill Hardy ACS Education Services, LLC In Progress 6/2/2003 6/6/2003

**Assigned to** **Web ID**

Gary Hopkins, Brian Sullivan & Andy Cho

**Vendor Question**

Q. SOO page #H-1, Section Appendix H Student Credit Management Volumes - Can the Department provide the anticipated volumes for DCS customer interactions, both inbound and outbound?

**FSA Response**

**Comments**

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 139 | Paul Mayer - SLMA | SLMA | Answer Prepared, not yet Posted | 6/2/2003 | 6/6/2003 |

**Assigned to**

Rich Galloway

**Web ID**

## Vendor Question

Q. Based on FSA's recent clarification on small business scorekeeping, are we correct in the following interpretation:

1.  Small business participation in CSB does not help the Department meet its goal of 23% of contract dollars awarded directly to small businesses.

2.  Small business participation in CSB does help the Department meet its goal of 40% of subcontract dollars awarded to small businesses.

3.  If commodities purchased through CSB (such as postage,equipment, travel) are included in the denominator of the calculation of small business participation, then they can also be included in the numerator of the calculation.  For example, if we purchase travel or mailing services/postage through small business vendors, can the total dollars flowing through these vendor relationships be counted as small business?

## FSA Response

A. As explained in Pre-Proposal Conference, the CSB project will be a substantial part of FSA's budget and even of the Department's.  So CSB will need to make a substantial contribution to the small business participation.  I.e, SBA will be somewhat forgiving about the percentage of ED's contract dollars that it awards directly to small businesses, if it makes up for the difference in dollars awarded through subcontracts.  Thus, subcontracts under CSB with small business contribute to both the Departments 23% goal and its 40% subcontracting goal.  Ultimately the goal is to ensure Federal contracting dollars reach small businesses.  A company awarding 90% of a $100,000 subcontracting budget to small business would not be as favorable as one awarding 20% of a $50,000,000 subcontracting budget.

Yes, purchases of commodities from a small business count as dollars towards the small business subcontracting goal.

## Comments

6/12 - Answer provided by Rich.

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | | **Date Received** | **Due Date** |
|---|---|---|---|---|---|---|
| 140 | Paul Mayer - SLMA | SLMA | Posted | | 6/3/2003 | 6/6/2003 |

**Assigned to**

**Web ID**

Dan Hayward

**Vendor Question**

Q. Page 40 of the RFP requests background information on the "Program Director."  Can you clarify what is intended by the term "Program Director?"  For example, is this intended to be the contractor executive with lead overall responsibility for delivery of CSB to FSA - in other words the dedicated head of the effort accountable to FSA?

**FSA Response**

A. Yes.  It is the senior, full-time project leader.

**Comments**

6/3 - Preliminary assignment to Dan
6/4 - Answered by Dan
6/6 - Sent to Rich for Posting
6/9 - Whitney Hoffman marked the question as "Posted"

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 141 | Paul Mayer - SLMA | SLMA | Posted | 6/3/2003 | 6/6/2003 |

**Assigned to**

**Web ID**

Dan Hayward

## Vendor Question

Q. The description of Work Breakdown Structure on page 40 of the RFP says that the WBS should "map" to the offeror's SOW, and also requests a "Traceability Matrix."  Can we conclude that we have the flexibility to organize the WBS as we recommend the transition be managed, as long as we can demonstrate through the Traceability Matrix where and how all the items in the SOW are addressed?

## FSA Response

A. Where feasible, the WBS should follow the precise sequence of the SOO, preferably to the third level of outlining (e.g., to section 2.3.4, 4.1.2, etc.). This goal of this request is to improve the consistency of presentation and clarity of the proposal. Hence, the RFP does not require full or rigid adherence of every item to the exact sequence of the SOO. Deviations may be appropriate to provide greater clarity or to avoid redundancies. However, offerors must demonstrate through the Tractability Matrix how each item in the offeror's WBS and SOW maps to the SOO.

## Comments

6/3 - Preliminary assignment to Rich

6/4 - Answered by Dan…slight changes made by Dave L.  Dan suggested saying that this was a repeat of question 33.  Question 33 asked if the offerors SOW had to match the exact format of the SOO.  This question asks if the WBS needs to match the exact format of the SOW.

6/6 - Sent to Rich for posting.

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 142 | Paul Mayer - SLMA | SLMA | Posted | 6/3/2003 | 6/6/2003 |

**Assigned to**

Dan Hayward

**Web ID**

**Vendor Question**

Q. Can FSA explain how the "Organizational Experience" section described on page 41 differs from the Phase I materials already submitted? Should the Phase I materials be repeated here, summarized, or incorporated by reference? Is FSA seeking a broader list of experiences than the three requested in Phase I?

**FSA Response**

A. This question only requires a response if the bidder did not provide organizational experience on all of their subcontractors or teaming partners. If those have changes since the your Phase I submission, you will need to provide additional information.

**Comments**

6/3 - Preliminary assignment to Rich
6/4 - Answered by Dan
6/6 - Sent to Rich for Posting
6/9 - Whitney Hoffman marked the question as "Posted"

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 143 | Aileene Cottrell - ACS | ACS | Answer Prepared, not yet Posted | 6/3/2003 | 6/6/2003 |

**Assigned to**

Rich Galloway

**Web ID**

**Vendor Question**

Q. Section L.2 of the RFP states that the Government contemplates award of a firm fixed price IT Services type contract.  Section B.1 mentions the option of payments being made in accordance with the incorporated General Provision entitled "Payments under Fixed-Price Research and Development Contracts."

1. Where is Payments under Fixed-Price Research and Development Contracts incorporated in the Contract?

**FSA Response**

A. B.1 uses boilerplate language that reads '"Payments" or "Payments under Fixed-Price Research and Development Contracts," whichever is applicable.'  The FAR 52.232-1 Payments clause may be found at I.25.

**Comments**

6/12 - Answer provided by Rich.

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**
144 Aileene Cottrell - ACS ACS Answer Prepared, not yet Posted 6/3/2003 6/6/2003

**Assigned to**

**Web ID**

Rich Galloway

**Vendor Question**

Q. Section I.13 of the RFP incorporates by reference FAR Part 52.222-20 Walsh-Healey Public Contracts Act. What aspect of contemplated performance would trigger application of this clause, i.e. would be "manufacturing"?

**FSA Response**

A. FAR clause 52.222-20, Walsh-Healey Public Contracts Act, is required for any contract that contemplates and results in the manufacture or furnishing of materials, supplies, articles, or equipment in any amount exceeding $10,000. As this RFP is for a performance-based contract and incorporates only a Statement of Objectives, we are unable to determine, prior to receipt of proposals, if offerors will propose to furnish more than $10,000 of materials, supplies or equipment. If the offeror selected for award has not proposed materials, supplies or equipment which would make the contract subject to the Act, the clause will not be included in the final contract.

**Comments**

6/12 - Answer provided by Rich.

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 145 | Aileene Cottrell - ACS | ACS | Answer Prepared, not yet Posted | 6/3/2003 | 6/6/2003 |

**Assigned to**

**Web ID**

Rich Galloway

## Vendor Question

Q. The Contract does not appear to incorporate any Service Contract Act clauses. Why not? Has the Department of Labor made a determination that it is not applicable?

## FSA Response

A. Per FAR Subpart 22.10, the Service Contract Act of 1965 applies to a Government contract, the principal purpose of which is to furnish services in the United States through the use of service employees. "Service employee" means a person engaged in the performance of a service contract other than any person employed in a bona fide executive, administrative, or professional capacity, as those terms are defined in 29 CFR part 541. Although 29 CFR part 541 defines "bona fide executive, administrative, or professional capacity" fairly narrowly, we note that 29 CFR 541.303 and 29 CFR 541.309 state, in part, that computer professionals are exempt under section 13(a)1 of the Service Contract Act.

In spite of the circular definitions in the FAR, two factors are key—principal purpose and use of service employees in the U.S. While we expect that the CSB contractor will use service employees, we do not consider that to be the principal purpose of CSB. The SOO describes the purpose of the CSB contract, which, briefly stated, is to provide an integrated solution to manage all types of student aid obligations. While the SOO does not prescribe how that solution will be delivered, it clearly anticipates a technology solution. The principal purpose of the CSB contract is to provide service through the use of information technology resources, rather than through the use of service employees. Therefore, the Service Contract Act and resultant wage determinations are not applicable to this procurement.

## Comments

6/12 - Answer provided by Rich.

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 146 | Bill Hardy | ACS Education Services, LLC | In Progress | 6/5/2003 | 6/9/2003 |

**Assigned to**

Rich Galloway

**Web ID**

**Vendor Question**

Q. With respect to Special Contract Requirement H.18, ECONOMIC PRICE ADJUSTMENT, confirm that Requirement H.18 is a mandatory flow-down to first tier subcontractors?

**FSA Response**

**Comments**

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 147 | Bill Hardy | ACS Education Services, LLC | In Progress | 6/5/2003 | 6/10/2003 |

**Assigned to**

Rich Galloway

**Web ID**

**Vendor Question**

Q. With respect to Special Contract Requirement H.18, ECONOMIC PRICE ADJUSTMENT, Inasmuch as the pricing for Option Year Five through Nine are "Firm Fixed Price to be determined with EPA", with no required identification of labor costs, will the EPA be applied to the labor and fringe as determined by the Contractor's proposal, or based on actual labor and fringe, or on some other basis?  Please provide a sample calculation.

**FSA Response**

**Comments**

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 148 | Bill Hardy | ACS Education Services, LLC | In Progress | 6/6/2003 | 6/10/2003 |

**Assigned to**

**Web ID**

Rich Galloway

**Vendor Question**

Q. With respect to Solicitation paragraph L .6, Additional Instructions - Price Proposal, Please supply the BLS ECI Series Index Number that will be applied e.g. Table 3 Compensation or Table 6 Wages and Salaries.

**FSA Response**

**Comments**

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**

149 Bill Hardy ACS Education Services, LLC In Progress 6/5/2003 6/10/2003

**Assigned to** **Web ID**

Randy Bowman

**Vendor Question**

Q. The RFP, Section L.4,#5, states that the offeror's proposal should include a section on Management, Staffing, and Scheduling.  Can the Department clarify this requirement?  Are offerors required to discuss the staffing and scheduling of the management and professional staff or of all

**FSA Response**

**Comments**

6/5 - Preliminary assignment to Rich Galloway
6/10 - Re-assigned to Randy

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 150 | Bill Hardy | ACS Education Services, LLC | In Progress | 6/5/2003 | 6/10/2003 |

**Assigned to**

**Web ID**

Rich Galloway, Mike J. Murray

**Vendor Question**

Q. The RFP in general and Section M in particular do not provide offerors with much detailed guidance as to how prices will be evaluated and how the government will calculate an overall evaluated price by which to compare offers on a common basis.  For example, the RFP does not explain how transition period prices will be evaluated or combined with other prices and does not disclose whether the government will use any net present value or overall life cycle cost approaches.  Other than the stated factors of completeness, reasonableness and realism, how will the Government

**FSA Response**

**Comments**

6/5 - Preliminary assignment to Rich Galloway and Mike J.

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 151 | Bill Hardy | ACS Education Services, LLC | In Progress | 6/5/2003 | 6/10/2003 |

**Assigned to**

**Web ID**

Rich Galloway, Mike J. Murray

**Vendor Question**

Q. In Section L.6 of the RFP, it states "Provide detailed price build-up information for all deliverables that would include, but not be limited to labor pricing, labor hours,…" Should the offeror provide a price build-up demonstrating how the price of one unit of each proposed deliverable is determined, or how the total price for all units of all deliverables is determined? If labor hours are required for all units of all deliverables, which pricing scenario should be used to represent volumes driving total labor hours?

**FSA Response**

**Comments**

6/5 - Preliminary assignment to Rich Galloway and Mike J.

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**

152 Bill Hardy ACS Education Services, LLC In Progress 6/5/2003 6/5/2003

**Assigned to**

**Web ID**

Rich Galloway, Mike J. Murray

**Vendor Question**

Q. How will the Government evaluate price relative to other factors to determine the "best value to the Government"?

**FSA Response**

**Comments**

6/5 - Preliminary assignment to Rich Galloway and Mike J.

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**

153 Bill Hardy ACS Education Services, LLC In Progress 6/5/2003 6/10/2003

**Assigned to** **Web ID**

Rich Galloway, Mike J. Murray

**Vendor Question**

Q. Will the Government analyze and use overall lifecycle costs to evaluate best value?

**FSA Response**

**Comments**

6/5 - Preliminary assignment to Rich Galloway and Mike J.

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**

154 Bill Hardy ACS Education Services, LLC In Progress 6/5/2003 6/10/2003

**Assigned to**

**Web ID**

Rich Galloway, Mike J. Murray

**Vendor Question**

Q. How will the government evaluate transition period pricing in determining "best value to the government"?

**FSA Response**

**Comments**

6/5 - Preliminary assignment to Rich Galloway and Mike J.

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 155 | Bill Hardy | ACS Education Services, LLC | Answer Prepared, not yet Posted | 6/5/2003 | 6/10/2003 |

**Assigned to**

**Web ID**

Heather Stevens

**Vendor Question**

Q. We expect that offerors in this procurement may offer the government operational prices that are lower than the government is paying for equivalent functions under current contracts.  In evaluating overall price, will the government take into account the effect of the proposed date of transition of operations to the CSB contract, which could thereby increase the savings to the government from the lower CSB prices over a longer period?  If so, how will the government do so?

**FSA Response**

A. As stated in M.1, the "Government may consider other costs . . . that may or may not be part of the offeror's proposed price."  In other words, where the Government identifies significant differences in the overall cost to the Government, the Government would consider the cost differential in the pricing evaluation.

In order to align with the needs of the Government, the vendor should provide a solution that acknowledges and mitigates the budget challenges felt by FSA today, as well as budget challenges expected in future years.  A shortened transition period could certainly reduce redundant costs to the Government for the concurrent operations of the existing contracts and new CSB contract.  However, the advantages of a shorter transition period must be balanced against possible undue risk to the Government, including any potential business disruptions or degradation in customer service.  In addition, as discussion in Section 1.2 of the SOO, the integrated CSB solution must provide cost savings to the Government, not just during the transition, but throughout the life of the contract.  Through the integration of Consolidation, Servicing, Collections, and Conditional Disability Discharge Tracking, the Government expects and requires efficiencies, savings, and effective performance measures.

**Comments**

6/5 - Preliminary assignment to Rich Galloway.

6/9 - Whitney Hoffman incorporated answer as prepared by Heather Stevens and marked question to "Answer Prepared, not yet Posted."

6/12 - Rich believes more work is needed before release.
6/12 - Rich provided updated answer.

| Question ID | Vendor Contact | Vendor | Status | Date Received | Due Date |
|---|---|---|---|---|---|
| 156 | Bill Hardy | ACS Education Services, LLC | In Progress | 6/5/2003 | 6/10/2003 |

**Assigned to**

Rich Galloway, Mike J. Murray

**Web ID**

**Vendor Question**

Q. In Section 2.2.8 of the SOO, it states "The CSB vendor must perform cost accounting…"  This paragraph appears to address two substantially different activities.  The first appears to be accounting and reconciliation activities surrounding financial transactions performed on CSB student loan balances.  In what way would this information be used as support documentation for invoicing?

The second activity concerning activity based costing appears to relate to the vendor's internal cost accounting with respect to the vendor's operations.  Since this contract will be a firm fixed price contract, why will this cost accounting be used to facilitate audit requirements of the Federal Government?  Please describe the audits to which this statement refers

**FSA Response**
**Comments**

6/5 - Preliminary assignment to Rich Galloway and Mike J.

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**

157 Robert Leary - SLMA SLMA In Progress 6/5/2003 6/10/2003

**Assigned to**

**Web ID**

Cindy Battle

**Vendor Question**

Q. What is the breakdown of the 7,280,121 incoming calls across borrowers, schools, and others?

**FSA Response**

**Comments**

6/5 - Preliminary assignment to La Teata and Cindy.

6/6 - Dan Hayward sent email indocating answer will be provided by Cindy Battle.  Whitney Hoffman updated "Assigned To" category.

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**

158 Robert Leary - SLMA SLMA In Progress 6/5/2003 6/10/2003

**Assigned to** **Web ID**

Cindy Battle

**Vendor Question**

Q. In the published Q&As, it states 83% of the call volume is handled by Borrower Services via IVR or by an Agent. What other departments currently handle the remaining 17% of the in-bound 7,280,121-call volume? The identification of a department or function will assist us in determining the underlying nature of the call and relevant staffing needs.

**FSA Response**
**Comments**

6/5 - Preliminary assignment to La Teata and Cindy.

6/6 - Dan Hayward sent email indocating answer will be provided by Cindy Battle. Whitney Hoffman updated "Assigned To" category.

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**

159 Elizabeth Louch - AT&T AT&T Government Solutions In Progress 6/5/2003 6/10/2003

**Assigned to**

Rich Galloway

**Web ID**

**Vendor Question**

Q. To what extent would ED consider non-statutory changes to regulatory requirements in order to empower performance incentives and initiatives, particularly in the area of due diligence.

**FSA Response**

**Comments**

6/5 - Preliminary assignment to Dan & Rich.

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**

160 Elizabeth Louch - AT&T AT&T Government Solutions In Progress 6/5/2003 6/10/2003

**Assigned to**

Rich Galloway

**Web ID**

**Vendor Question**

Q. Would ED give the bidders a 1-day orientation session in order to understand the current loan servicing process, including a walk through of the current operations?

**FSA Response**

A. The Department plans to provide such a meeting.  Details have not been developed at this time.  It will be announced on the CSB Web Site.

**Comments**

6/5 - Preliminary assignment to Dan & Rich.

6/9 - Whitney Hoffman incorporated answer as provided by Dan Hayward via email and marked the question as "Answer Prepared, not yet Posted"

6/12 - Rich believes more work is needed before release.

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**
161 Elizabeth Louch - AT&T AT&T Government Solutions Answer Prepared, not yet Posted 6/5/2003 6/10/2003

**Assigned to**

**Web ID**

Rich Galloway, Mike J. Murray

**Vendor Question**

Q. Would ED provide a copy of all existing contracts for direct servicing including current pricing arrangements with existing service providers?

**FSA Response**

A. Except for documents we have already posted in the CSB Public Library, these documents are not available electronically.  These are huge paper files that cannot be readily scanned,  Trade secrets and proprietary information, which may include pricing details, may not be released.  We will make redacted copies of contract documents available to the three selected offerors.   To make arrangements to view or copy these redacted versions at FSA, you may contact Steve Slavsky at steve.slavsky@ed.gov or 202-377-3094.

**Comments**

6/5 - Preliminary assignment to Rich, Mike J., and Dan.

6/9 - Whitney Hoffman incorporated answer as provided by Dan Hayward via email and marked the question as "Answer Prepared, not yet Posted"

6/12 - Rich believes more work is needed before release.
6/12 - Rich provided updated answer.

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**

162 Elizabeth Louch - AT&T AT&T Government Solutions In Progress 6/5/2003 6/10/2003

**Assigned to** **Web ID**

Randy Bowman

**Vendor Question**

Q. Does ED have performance metrics on the existing vendors who provide loan servicing other than in the area of special collections, and how are these performance metrics used?

**FSA Response**

A. The Department has numerous ways that performance is monitored in existing contracts. However, the Department is not providing that information for CSB. We want your proposal to include those performance standards that you have found to be effective in insuring performance is

**Comments**

6/5 - Preliminary assignment to Rich, Mike J., Dan, Denise, and Gary

6/9 - Whitney Hoffman incorporated answer as provided by Dan Hayward via email and marked the question as "Answer Prepared, not yet Posted"

6/12 - Randy to determine is question is ready, per Rich.

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**

163 Elizabeth Louch - AT&T AT&T Government Solutions In Progress 6/5/2003 6/10/2003

**Assigned to** **Web ID**

Mike J. Murray, Randy Bowman, Gary Hopkins

**Vendor Question**

Q. Please provide data on loan performance and payout type, service channels delinquency by number of loan records and borrowers.

**FSA Response**

A. This information has already been placed in the CSB Resource Library Q&A section (http://www.1800iwillpay.com/csb/qas.html). Please refer to that resource.

**Comments**

6/5 - Preliminary assignment to Mike J., Randy, Gary, and Dan.

6/9 - Whitney Hoffman incorporated answer as provided by Dan Hayward via email and marked the question as "Answer Prepared, not yet Posted"

6/12 - Rich believes more work is needed before release.

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**

164 Elizabeth Louch - AT&T AT&T Government Solutions Answer Prepared, not yet Posted 6/5/2003 6/10/2003

**Assigned to**

**Web ID**

Rich Galloway

**Vendor Question**

Q. Can the offerors obtain a list of current small business, disadvantaged business, HUB-Zone business that ED utilizes in the area of CSB?

**FSA Response**

A. No.  All the prime contractors for the existing contracts in the area of CSB are large businesses.  We do not have a list of their small business subcontractors.

**Comments**

6/5 - Preliminary assignment to Rich.
6/12 - Answer provided by Rich.

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**

165 Elizabeth Louch - AT&T AT&T Government Solutions In Progress 6/5/2003 6/10/2003

**Assigned to** **Web ID**

Denise Leifeste, Brian Sullivan, Gary Hopkins, Randy Bowman

**Vendor Question**

Q. Can ED provide a breakdown of existing communications, inbound and out-bound as it relates to CSB activity.

**FSA Response**

**Comments**

6/5 - Preliminary assignment to Denise, Brian, Gary, and Randy

| **Question ID** | **Vendor Contact** | **Vendor** | **Status** | **Date Received** | **Due Date** |
|---|---|---|---|---|---|
| 166 | S. Leaman | Washington Analysis | Posted | 6/5/2003 | 6/6/2003 |

**Assigned to**

Joe Aiello

**Web ID**

## Vendor Question

Q. What are the remaining terms of the contract?

## FSA Response

A. CSB will replace all or part of several contracts.  The remaining periods available under those contracts are:

DMCS (Debt Management Collection System)
- Contractor--Raytheon E-Systems
- The end date for DMCS is 6/30/03.
- There is currently under consideration a sole-source extension for a period of 15 months, which will end 9/30/04 and an additional nine (9) month option period, which would run from 10/1/04-6/30/05.

 DCSIC (Public Inquiry Contract or PIC)
- Contractor--NCS Pearson
- Current contract period (option period 2)- 12/31/03
- Option period 3 - 12/31/04
- Option period 4 (final) - 12/31/05

DLSS (Direct Loan Servicing System)
- Contractor--ACS Government Services
- Not yet determined.  The contract is currently in negotiation concerning the remaining terms, however the Department intends to establish a period
 of performance that runs through 9/30/2004 with two one year options.

DLC (Direct Loan Consolidation)
- Contractor--EDS
- Current contract period (option period 2) - 9/30/03
- Option period 3 (final) - 9/30/04

CDDTS (Permanent Disability Discharge)
- Contractor--ACS Government Services
- Current contract period (base period) - 4/29/04
- Option period 1 - 4/29/05
- Option period 2 - 4/29/06
- Option period 3 - 4/29/07

## Comments

6/6 - Question and answer received from Joe Aiello.  This information has already been released to the press.

6/9 - Whitney Hoffman marked the question as "Posted"

**Assigned to**

Joe Aiello

**Web ID**

**Vendor Question**

Q. What is contemplated for the number of years for the new contract?

**FSA Response**

A. We anticipate an initial term of up to five years with subsequent option periods that would extend the contract up to a total of ten years.

**Comments**

6/6 - Question and answer received from Joe Aiello.  This information has already been released to the press.

6/9 - Whitney Hoffman marked the question as "Posted"

**Question ID** **Vendor Contact** **Vendor** **Status** **Date Received** **Due Date**
168 S. Leaman Washington Analysis Posted 6/6/2003 6/6/2003

**Assigned to**

**Web ID**

Joe Aiello

**Vendor Question**

Q. The current contract is $200M annually.  Will the new contract also be for $200M?

**FSA Response**

A. Comparison to a single existing contract is inappropriate, since CSB will replace all or part of several large contracts.  We will not know the amount of the new contract until award.  We anticipate that the CSB competition will produce substantial savings.  However, we cannot speculate on what the winning price will be.  We have an independent Government cost estimate, however that information is considered source selection information, which may not be disclosed in accordance with Federal Acquisition Regulation 3.104-4 and the Procurement Integrity Act (41 U.S.C.

**Comments**

6/6 - Question and answer received from Joe Aiello.  This information has already been released to the press.

6/9 - Whitney Hoffman marked the question as "Posted"